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ABSTRACT

This document reports on a congressional hearing discussing the current and future needs of the nation's older workers. A particular focus is the concerns of Hispanic older workers. Topics include job displacement, age discrimination, racial discrimination, unemployment, and the need for specific legislation to alleviate problems. Testimony includes statements, prepared statements, and additional material received for the record from individuals representing the Department of Labor; Women's Research and Education Institute, Washington, D.C.; American Association of Retired Persons; National Council on Aging, Inc.; Nutrition and Health for Older Adults Program, Los Angeles Unified School District; International Institute, Los Angeles; Asociacion Nacional pro Personas Mayores, Los Angeles; 9 to 5, National Association of Working Women; Mexican-American Opportunity Foundation; and Placement Services for Older Workers, Pasadena, California. (YLB)

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THE STATE OF THE OLDER WORKER: CURRENT AND FUTURE NEEDS

JOINT HEARING

BEFORE THE

SELECT COMMITTEE ON AGING

AND THE

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

SEPTEMBER 14, 1988

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CONTENTS

MEMBERS' OPENING STATEMENTS

	Page
Chairman Edward R. Roybal	1
Matthew J. Rinaldo	3
Chairman Matthew J. Martinez	4
Ralph Regula	6
Jan Meyers	8
Harris W. Fawell	12
Olympia J. Snowe	13
Helen Delich Bentley	15
Tom Tauke	16
Jim Lightfoot	20
Louise M. Slaughter	49

CHRONOLOGICAL LIST OF WITNESSES

Hon. Ann McLaughlin, Secretary, Department of Labor; accompanied by Robert Jones, Assistant Secretary of Labor for Employment and Training	24
Sara E. Rix, Director of Research, Women's Research and Education Institute, Washington, DC	57
Seymour L. Wolfbein, former Deputy Assistant Secretary, Department of Labor	82
Josephine Barbano, Chairman, California State Legislative Committee, on behalf of the American Association of Retired Persons	104
Dr. Daniel Thursz, President, The National Council on the Aging, Inc. Washington, DC	119
Vicente Pichardo, Director, Nutrition and Health for Older Adults Program, Los Angeles Unified School district	138
Jessie G. Reyes, Assistant Case Manager, International Institute, Los Angeles, CA	139

APPENDIX

Additional material received for the record:

Carmela G. Lacayo, President/Chief Executive Officer, Asociacion Nacional Pro Prsonas Mayores, Los Angeles, CA, prepared statement	149
Karen Nussbaum, Executive Director, 9to5, National Association of Working Women, Cleveland, OH, prepared statement	158
Dionicio Morales, President, Mexican-American Opportunity Foundation, Commerce City, CA, prepared statement	165
Patricia Rostker, Director, and Nora Mitsumori, President, Placement Services for Older Workers, Pasadena, CA, letter	169
"A Demographic Portrait of Older Workers," a CRS Report for Congress, submitted for the record by Chairman Roybal	170

THE STATE OF THE OLDER WORKER: CURRENT AND FUTURE NEEDS

WEDNESDAY, SEPTEMBER 14, 1988

U.S. House of Representatives,
Select Committee on Aging, joint with
Committee on Education and Labor,
Subcommittee on Employment Opportunities,
Washington, DC

The committees met, pursuant to notice, at 9:30 a.m., in Room 2175, Rayburn House Office Building, Hon. Edward R. Roybal, (Chairman of the Select Committee on Aging) and Hon. Matthew G. Martinez, (Chairman of the Subcommittee on Employment Opportunities) presiding.

Members present: Representatives Roybal, Martinez, Rinaldo, Gunderson, Stallings, Slaughter, Bilbray, Williams, Regula, Snowe, Ridge, Bentley, Lightfoot, Fawell, Meyers, Henry, Schuette, and Grandy.

Staff Present: Select Committee on Aging: Manuel R. Miranda, Staff Director; Paul S. Ceja, General Counsel; Valerie Batza, Executive Assistant to the Staff Director; and Denise Flaim, Staff Assistant.

Subcommittee on Employment Opportunities: Eric Jensen, Staff Director; Valerie White, Legislative Assistant; and Tammy Harris, Clerk.

OPENING STATEMENT OF CHAIRMAN EDWARD R. ROYBAL

Mr. Roybal. The committees will come to order.

Ladies and gentlemen, today we begin to examine an area of critical importance to the social and economic well being of our Nation, the current and future needs of our Nation's older workers. In addition, as this is Hispanic Heritage Week, we will examine the particular concerns of Hispanic older workers.

Older workers today are finding it more and more difficult to remain in the workforce. Although many people are retiring at younger ages, a significant number of older persons want to continue working even beyond normal retirement ages and others simply need to continue working to maintain a decent standard of living. However, substantial problems exist for these older workers.

Job displacement due to plant closing and reductions in force often result in extended periods of unemployment for older workers who sometimes, without the skills necessary for new industries, become discouraged. They give up looking for a job and leave the workforce. Others find that the only work available to them are jobs with a substantial reduction in pay or a part-time marginal job with low pay, no benefits and no job security.

Age discrimination, with its myths about the productivity, the overhead costs and the trainability of older workers is playing an ever greater role in both job loss and the inability of the older worker to be rehired.

Hispanic older workers must often contend with additional employment barriers resulting from racial discrimination, language and cultural differences, and in many cases, the lack of education.

As a result, the Hispanic elderly are far more likely to be unemployed than the general population of older workers. In addition, when unemployed, Hispanic older workers are more likely to be in low-paying, low-skilled jobs.

Despite these serious problems facing older workers, there has been no comprehensive systematic response from either government or the private sector. That is the belief of this committee.

The purpose of this hearing, however, is to delve into the causes, into the problems, to find out what the real situation is, and then recommend legislation to the Congress of the United States. We realize that the baby boom generation, for example, is aging and that the demographic studies indicate that by the year 2030, more than one-third of the population will be age 55 or older.

This and the projected decline in the number of younger new entrants into the workforce make it imperative that we begin a comprehensive examination of this Nation's policies towards its older workers. Whether through expanded or new Federal employment and training programs, or through joint Federal-private sector initiatives, or through the efforts of the private sector on its own, these initiatives must be established and carried through.

This is a crucial, not only as a social policy, but also to insure that in the future, the Nation's economy will remain productive and competitive.

I believe that this hearing this morning will definitely put the committee to work, to do some more thinking about the problems. Based on the testimony that we will receive, we will make a recommendation, hoping that the Congress of the United States will respond.

[The prepared statement of Chairman Roybal follows:]

PREPARED STATEMENT OF CHAIRMAN EDWARD R. ROYBAL

Good morning ladies and gentlemen. Today we begin examination of an area of critical importance to the social and economic well being of our Nation, the current and future needs of our Nation's older workers. In addition, as this is Hispanic Heritage week, we will examine the particular concerns of Hispanic older workers. Hispanics constitute one of the most rapidly growing segments of the workforce, and therefore, the needs of Hispanic older workers will become increasingly important in the future.

Older workers today are finding it more and more difficult to remain in the workforce. Although many people are retiring at younger ages, a significant number of older persons want to continue working, even beyond normal retirement ages, and others simply need to continue working to maintain a decent standard of living. However, substantial problems exist for these older workers.

The restructuring of the U.S. economy from agriculture and heavy industry to service and light industry has had a significant impact on older workers. Job displacement due to plant closing and reductions in force often result in extended periods of unemployment for older workers. Unemployed older workers, sometimes without the skills necessary for new industries, become discouraged, give up looking for a job, and leave the workforce. Others find that the only work available to them are jobs with a substantial reduction in pay or part-time, marginal jobs with low pay, no benefits, and no job security. Age discrimination, with its myths about the productivity, the overhead costs, and the trainability of older workers, is playing an ever greater role in both job loss and the inability of older workers to be rehired. Employers forced to cut costs, often look to what appears to be a quick fix and fire older, higher-salaried workers, or coerce them into accepting early retirement benefit packages.

The problems confronting the general population of older workers as a whole compound other particular problems faced by Hispanic older workers. Hispanic older workers must often contend with additional employment barriers resulting from racial discrimination, language and cultural differences, and lack of education. As a result, the Hispanic elderly are far more likely to be unemployed than the general population of older workers, and when employed, Hispanic older workers are more likely to be in low paying, low skill jobs.

Despite these serious problems facing older workers, there has been no comprehensive, systematic response from either government or the private sector. Federal older worker employment and training programs, while generally receiving good marks, are small in scope and serve only a minimal number of older workers actually in need. Participation rates of eligible older workers in Federal Government training programs has been low, possibly because these programs have been traditionally geared toward providing long-term training for youth, as opposed to meeting the short-term needs of older workers. In addition, because these programs are designed to assist only the poorest of the older workers who are having difficulty in obtaining employment, a great many marginal older workers who could also benefit from employment and training programs are left without any assistance. Furthermore, while several private sector employers have received attention for their efforts in the employment and training of older workers, private sector initiatives on the whole have been sporadic at best.

The Federal Government, specifically the Equal Employment Opportunity Commission, has also failed to adequately enforce the Age Discrimination in Employment Act, the Federal law proscribing age discrimination. For example, in a situation well documented by the Select Committee on Aging and other Congressional committees, the EEOC failed to process the Age discrimination complaints of thousands of individuals in time to meet the 2 year statute of limitations for filing claims under the ADEA.

The baby boom generation is aging, and demographic studies indicate that by the year 2030 more than one-third of the population will be age 55 or older. This and the projected decline in the number of younger, new entrants into the workforce, make it imperative that we begin a comprehensive examination of this Nation's policies toward its older workers. Whether through expanded or new Federal employment and training programs, or through joint Federal-private sector initiatives, or though the efforts of the private sector on its own, the needs of this Nation's older workers must be addressed. This is crucial not only as a social policy, but also to insure that as the workforce ages this Nation's economy will remain productive and competitive.

Mr. ROYBAL. The Chair now recognizes Mr. Rinaldo.

STATEMENT OF REPRESENTATIVE MATTHEW J. RINALDO

Mr. RINALDO. Thank you very much, Mr. Chairman.

I would like to commend you and Cochairman Martinez for giving us this opportunity to take a close look at programs for older workers. In view of the demographic trends outlined in today's testimony, it is vital to know where we stand now so that we can plan appropriately for the future.

I am also pleased that we will be looking at the specific needs of Hispanic older Americans during this Hispanic National Heritage Week.

As the ranking Republican on the Aging Committee, I have worked vigorously over the years to ensure the continued effectiveness of programs for older workers. I think we can look back with some satisfaction at the results achieved so far, both through the

Community Service Employment Program for Older Americans and the Job Training Partnership Act.

By all accounts, the Senior Community Service Employment Program has been successful in serving those low-income elderly persons who most need such assistance. Approximately $344 million have been appropriated for program year 1989, an increase of almost $13 million in a time of sustained efforts to reduce the Federal deficit.

Also of note is the increasing rate of transition to private sector employment by program participants. The 3 percent set-aside for older workers in Title II(a) of the Job Training Partnership Act works well overall, although it suffers an unusual problem. States have found it hard to spend all of the allotted funds for older workers.

I look forward today to hearing how we can ensure the active participation of older workers in JTPA programs or reorient this program to achieve that end.

An additional area of interest to me is the increasing number of public/private partnerships serving the needs of older workers and how we might expand such opportunities in the future. These programs can range from efforts to retrain workers for part-time work in the same organization to training for community involvement and educational work outside the community.

More and more, we are finding that retirees like to stay active in their communities.

I will appreciate what our witnesses might have to say on the subject of involving private companies in enriching the lives of those older workers who are ending their chosen careers, but wish to remain involved in productive endeavors.

Once again, I would like to thank our chairman and Congressman Martinez for holding this joint hearing. Older workers continue, in my view, to be some of society's most productive resources and we really need to learn more about how to harness their energy and experience in the years ahead.

Thank you very much, Mr. Chairman. I yield back the balance of my time.

Mr. ROYBAL. The Chair recognizes Congressman Martinez.

OPENING STATEMENT OF CHAIRMAN MATTHEW G. MARTINEZ

Mr. MARTINEZ. Thank you, Mr. Chairman.

First, I want to commend the chairman for requesting this joint hearing between his committee and the Subcommittee on Employment Opportunities.

One of the things that we face in the coming years is not only the necessity of job creation, but the necessity of putting our older citizens to work. Many of these older citizens are still productive and still have a wealth of experience to contribute.

We all know that older American citizens, either as workers or as family heads, are the backbone of our Nation. The maturity and the breadth of the experience that they bring to the workforce is a natural resource which we cannot afford to waste.

For those of us who are too smug to think beyond our own noses, the stark realization is that within the next 30 to 40 years, one-third of our Nation will be comprised of citizens over the age of 55. The bottom line here is that it is not too soon to begin planning for the future, as well as for the present, for a new labor force.

As a study released just last year points out, the workforce of the year 2000 is going to be completely different than it is today. It will be comprised of many minorities and of many older citizens.

As a chairman of one of the committees or subcommittees devoted to finding ways to achieve full employment and productivity for our Nation, and I underscore the word "productivity"—I am concerned that we attain full productivity from all segments of our society because we need to do that. But if we are to accomplish this, we must ensure that all citizens, young or old, rich or poor, skilled or unskilled, educated or illiterate, are able to find the means to support themselves rather than relying on others to support them.

Older citizens are never too old or useless to contribute to a society or to work for their personal dignity and self-reliance. They don't ask for handouts or unfair advantages. They seek only an equal opportunity to become a part of and to participate in the mainstream of what we all consider the American dream.

I ask the witnesses and other participants who join us today to work with us to find long-term solutions so sorely needed to meet our labor market needs for the future and for today.

Thank you, Mr. Chairman.

Mr. ROYBAL. Thank you, Mr. Martinez.

The Chair recognizes Congressman Regula.

Mr. REGULA. Thank you, Mr. Chairman.

I ask unanimous consent to make my statement a part of the record, and in the interests of time, I yield back the balance of my time.

Mr. ROYBAL. Without objection, that will be the order.

[The prepared statement of Mr. Regula follows:]

PREPARED STATEMENT OF REPRESENTATIVE RALPH REGULA

Mr. Chairman:

I share your concern for the problems facing older workers in our country.

As you know the primary programs designed to provide for employment opportunities to the elderly are the Job Training Partnership Act and Title V of the Older Americans Act. These two programs have been highly successful but much more needs to be done.

As the median age of our population rises, to 40 by 2000, the number of older workers required to remain in the workforce will increase. Congress must continue to support initiatives which encourage workers to continue productive work such as the recently enacted law eliminating mandatory retirement.

Efforts must also be intensified in the private sector to promote the older employee. McDonald's and Polaroid are among some employers who have specific program directed at hiring and training the older worker. Their experiences have revealed this labor pool to be a solid and experienced resource offering many benefits unavailable in more traditional labor populations.

Clearly, existing federal programs assisting the older worker should be continued and adequately funded. Congress must also move forward in examining the relationship between employers and their retirees. Ranging from re-employment to health care benefit plans this area has received too little attention in light of the changing demographics.

As the Vice Chairman of the Steering Committee of Congressional Steel Caucus and this committee's health panel I am especially concerned about the status of retiree health benefits. The unfunded pension liability of our nation's businesses is staggering and will likely rise as the ratio of retired to active workers increase.

Shortly, I will be introducing legislation which is the result of the joint findings of these two panels. We found that business is hesitant to provide long term care benefits because of the perception that government will eventually meet the need. With proper incentives and clear direction regarding possible government benefits business would welcome an active involvement in providing that coverage.

The legislation will include incentives for the active development of comprehensive employer sponsored health plans for their retirees, individual tax incentives to purchase nursing home insurance, and a commitment of federal resources to develop a permanent federal long term care benefit.

I am confident our distinguished panel of experts will provide an insight into the problems facing the older worker.

Mr. **Martinez**. Mr. Chairman, I would like to recognize at this time Mr. Gunderson, who is the ranking minority member on the Subcommittee on Employment Opportunities.

Mr. **Gunderson**. Thank you, Mr. Chairman, and I appreciate the recognition, but like my colleague, Mr. Regula, in the interest of time so that we can hear Secretary McLaughlin, I am going to put my statement in the record. It is a really good statement. I encourage you all to read it, but it will be in the record.

Mr. **Roybal**. The Chair recognizes Mrs. Meyers.

STATEMENT OF REPRESENTATIVE JAN MEYERS

Mrs. **Meyers**. Thank you, Mr. Chairman. I will be very brief.

I would like to mention just one point from my statement and then will submit it for the record.

That is the one dealing with the Social Security earnings limit. Nowhere is there a government policy that provides a stronger disincentive for senior citizens to work. Congress has made great progress in allowing older workers to choose to keep working in areas such as pension reform and outlawing mandatory retirement, but due to the earnings limit, Social Security recipients who work can face effective marginal tax rates of over 70 percent.

Consider: losing $1 of benefits for $2 of earnings is effectively a 50 percent tax on income, plus the 15 or 28 percent income tax rate, plus a 7.5 FICA tax.

Is it right that a 66-year-old who supplements his or her Social Security benefits with a job paying, say, $15,000, should pay a higher marginal income tax rate than Mike Tyson or David Rockefeller? What we all want to do is to ensure that if senior citizens want to choose to continue working, they will have that right. To tell someone, yes, we will allow you to work, but the government will take three-quarters of what you make is really not much of a choice.

Furthermore, the country cannot afford to continue this disincentive for work. I will submit the rest of my statement—

Mr. **Rinaldo**. Will the gentlelady yield for a moment?

Mrs. **Meyers**. Yes.

Mr. **Rinaldo**. Mr. Chairman, I just want to say that I think she makes an excellent point. This is something that is long overdue.

In my home State of New Jersey at the present time, we are just about at full employment. We have a tremendous resource of older workers that are willing to work, able to work, but don't go out and obtain a job where they can really be an asset to the community and the State because of this disincentive.

I would hope this committee and the appropriate committees of jurisdiction would do something about this matter in the next session of Congress because, obviously, it is too late this year, but it is something that is long overdue that is needed and is deserved by our senior citizens, particularly when we look at the fact that senior citizens can obtain all the unearned income they want; it doesn't affect their Social Security earnings.

We are sending out a message that it is all right to be wealthy; it is all right to clip those coupons, but if you are poor and you want to pull yourself by your bootstraps and you want to make additional income and you want to serve your community, State and Nation, we're going to penalize you. It just doesn't make sense.

Mrs. **Meyers**. Mr. Chairman, I thank the gentleman from New Jersey and my exact point is that it is a disincentive and it is unfair, in addition, and I thank the gentleman very much.

[The prepared statement of Mrs. Meyers follows:]

PREPARED STATEMENT OF REPRESENTATIVE JAN MEYERS

Thank you very much, Mr. Chairman. Job training programs are very important for those older workers who need their skills updated to deal with the realities of today's economy; or for those who have been displaced by changing economic conditions. The Senior Community Service Employment Program allows thousands of low-income seniors to serve their communities. Likewise, the Job Training Partnership Act, has trained thousands more for productive, private-sector jobs.

However, I would like to discuss further a point made by Ms. Barbano (in her prepared statement) dealing with the Social Security Earnings Limit. Nowhere is there a government policy that provides a stronger disincentive for senior citizens to work. Congress has made great progress in allowing older workers to choose to keep working: in areas such as pension reform and outlawing mandatory retirement. Due to the Earnings Limit, Social Security recipients who work can face effective marginal tax rates of over 70%. Consider, losing one dollar of benefits for two dollars of earnings is effectively a 50% tax on income, plus a 15% or 28% income tax rate, plus a 7.51% FICA tax. Is it right that a 66-year-old who supplements his or her Social Security benefits with a job paying, say, $15,000, should pay a higher marginal income tax rate than Mike Tyson or David Rockefeller? What we all want to do is to ensure that if senior citizens want to choose to continue working they will have that right. To tell someone, "Yes, we will allow you to work, but the government will take three-quarters of what you make," is not much of a choice. It is also unfair that only earned income is subject to this limit. A person who collects interest or dividends will not lose any Social Security benefits, but one who wants or needs to work will lose one dollar in benefits for every two dollars in wages.

Furthermore, the country cannot afford to continue this disincentive for work. The Earnings Test may have made sense when it was established during the Depression. Opening up jobs for young workers with families was important. But, for the next decade, the country is going to have fewer new entrants to the work force every year. Older workers will be an important factor in the labor force. And Congress must remove this enormous barrier to their participation.

Mr. **Roybal**. Thank you.

The Chair now will recognize Congressman Williams.

Mr. **Williams**. No statement, Mr. Chairman.

Mr. **Roybal**. Thank you, Mr. Williams.

Mr. Fawell.

Mr. **Fawell**. Mr. Chairman, I have a terribly erudite statement to read, but I will just pass and ask unanimous consent to have it put in the record.

Mr. **Roybal**. I thank the gentleman for his courtesy.

[The prepared statement of Mr. Fawell follows:]

PREPARED STATEMENT OF REPRESENTATIVE HARRIS W. FAWELL

MR. CHAIRMAN, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO WELCOME OUR DISTINGUISHED GUESTS THIS MORNING AS WE EXAMINE A TOPIC OF VITAL CONCERN TO THE CONTINUATION OF OUR NATION'S STRONG ECONOMY: THE EFFECTIVE UTILIZATION OF CITIZENS WHO WISH TO CONTINUE WORKING BEYOND THE AGE WHEN THEIR PEERS BEGIN TO RETIRE.

DEMOGRAPHICS SHOW THAT OUR NATION IS GETTING OLDER. TODAY, THE EMPLOYMENT MARKET FOR YOUNG WORKERS IS BRIGHT, BUT WE FACE A SERIOUS PROBLEM IN THAT WE ARE LOSING MANY SENIOR EMPLOYEES WITH AN UNTOLD WEALTH OF EXPERIENCE. WORSE, WE HAVE A POOL OF WORKERS WHO WANT TO GO BACK TO A FLEXIBLE WORK ARRANGEMENT AFTER RETIRING FROM THEIR CAREER POSITIONS OR RAISING A FAMILY, BUT FIND OPPORTUNITIES ARE LIMITED. FORTUNATELY, ORGANIZATIONS SUCH AS THE CHICAGO-BASED "OPERATION ABLE" ARE HELPING TO PLACE THE UNTAPPED TALENT OF THESE PEOPLE IN MEANINGFUL POSITIONS.

MR. CHAIRMAN, AS A MEMBER OF THE EDUCATION AND LABOR COMMITTEE, I HAVE HAD THE FINE OPPORTUNITY OF HELPING TO PASS LEGISLATION TO MAKE THESE TRANSITIONS EASIER FOR OUR SENIOR CITIZENS THROUGH THE JOB TRAINING PARTNERSHIP ACT AND THE TITLE V PROVISIONS OF THE OLDER AMERICANS ACT. I LOOK FORWARD TO HEARING WHAT OUR WITNESSES HAVE TO SAY ABOUT THESE AND OTHER PROGRAMS AND THE WAYS IN WHICH WE CAN IMPROVE OUTREACH TO OLDER WORKERS.

Mr. **Roybal**. The Chair now recognizes Ms. Snowe.

Ms. **Snowe**. Thank you, Mr. Chairman.

In the interest of time, I, too, will defer and not read my statement and ask unanimous consent to include my statement in the record.

I just want to commend you, Mr. Chairman, for holding this hearing and I welcome the Secretary for providing testimony on this important issue.

[The prepared statement of Ms. Snowe follows:]

PREPARED STATEMENT OF REPRESENTATIVE OLYMPIA J. SNOWE

MR. CHAIRMAN, I WANT TO COMMEND YOU FOR HOLDING THIS IMPORTANT HEARING TODAY WHICH EXAMINES CURRENT AND FUTURE PROBLEMS CONFRONTING OLDER WORKERS.

AS YOU KNOW, ALTHOUGH THERE IS AN INCREASING NUMBER OF OLDER PERSONS IN THIS COUNTRY, THERE IS ALSO THE GROWING TENDENCY FOR THESE INDIVIDUALS TO CHOOSE EARLY RETIREMENT. EARLY WITHDRAWAL FROM THE WORKFORCE NOT ONLY DIMINISHES THE COUNTRY'S PRODUCTIVITY, BUT ALSO PLACES INCREASED BURDENS ON SOCIAL SECURITY, SOCIAL SERVICES, AND OTHER ECONOMIC SECURITY PROGRAMS.

WHILE MANY INDIVIDUALS WILLINGLY CHOOSE EARLY RETIREMENT, OTHERS FEEL COMPELLED TO RETIRE AT AN EARLY AGE BECAUSE OF SUCH FACTORS AS THE CHANGING DEMANDS OF THE WORKFORCE, AGE DISCRIMINATION, AND PUBLIC POLICIES WHICH CREATES WORK DISINCENTIVES.

FEDERAL PROGRAMS SUCH AS THE JOB TRAINING PARTNERSHIP ACT (JTPA) AND TITLE V OF THE OLDER AMERICANS ACT HAVE BEEN DESIGNED TO ASSIST OLDER WORKERS DEAL WITH SOME OF THE PROBLEMS THAT LEAD TO THE EARLY RETIREMENT DECISION, SUCH AS CHANGES IN THE KINDS OF JOBS SKILLS NEEDED. THE PRIVATE SECTOR, ALSO, HAS BECOME INCREASINGLY INTERESTED IN THE OLDER WORKER BECAUSE OF POTENTIAL FUTURE LABOR SHORTAGES AND IS BEGINNING TO CONSIDER REDESIGNING JOBS TO MAKE THEM MORE ATTRACTIVE TO THE OLDER WORKER.

ALTHOUGH THESE EFFORTS HAVE BEEN INSTRUMENTAL IN REDUCING SOME OF THE BARRIERS FACING OLDER WORKERS, THESE INDIVIDUALS HAVE MANY OTHER NEEDS WHICH MUST STILL BE ADDRESSED. THIS HEARING TODAY WILL PROVIDE AN OPPORTUNITY TO LOOK AT THE PROBLEMS FACING THE OLDER WORKER, AND WILL EXAMINE SOME THE INNOVATIVE IDEAS FOR ADDRESSING THESE CONCERNS.

MR. CHAIRMEN, I AGAIN WISH TO EXTEND TO YOU MY APPRECIATION FOR HOLDING THIS IMPORTANT HEARING. I LOOK FORWARD TO HEARING THE STATEMENTS OF THOSE TESTIFYING TODAY.

Mr. **Martinez**. At this time I would like to recognize Mr. Grandy.

Mr. **Grandy**. Thank you, Mr. Chairman. I have no statement and look forward to the hearing.

Mr. **Martinez**. Thank you, Mr. Grandy.

Mr. Chairman.

Mr. **Roybal**. The Chair now recognizes Mrs. Bentley.

STATEMENT OF REPRESENTATIVE HELEN DELICH BENTLEY

Mrs. **Bentley**. Thank you, Mr. Chairman. I will just take a brief few seconds.

In addition to commending you for the hearing, I would like to point out that because of the benefits to the older workforce, I introduced House Concurrent Resolution 362, which seeks to bring children and older individuals together through currently existing Federal programs. My resolution specifically targets the retired senior volunteer program, RSVP, under the Action Agency and the Senior Community Service Employment Program, SCSEP, under the Older Americans Act.

Both programs focus on placing older Americans into positions within the community and the resolution would stress the emphasis on older workers in the child-care setting. The older workers want something to do and we need good people to take care of our young children. I think we should combine the two and that is the essence of my resolution.

I ask unanimous consent to include the rest of my statement. Thank you, Mr. Chairman.

Mr. **Roybal**. Without objection, that will be ordered. Thank you, Mrs. Bentley.

[The prepared statement of Mrs. Bentley follows:]

Prepared Statement of Representative Helen Delich Bentley

I thank the Chairmen for holding this hearing for two reasons, the most important being its benefits to the older workforce. My other reason is a bit more personal for, as many of you may be aware, I recently introduced House Concurrent Resolution 362 which seeks to bring children and older individuals together through currently existing Federal programs.

My resolution specifically targets the Retired Senior Volunteer Program (RSVP) under the ACTION Agency and the Senior Community Service Employment Program (SCSEP) under the Older Americans Act. Both programs focus on placing older Americans into positions within the community and the resolution would stress the emphasis on older workers in the child care setting.

In addition to publicizing existing programs, this hearing will examine the problems older workers face and seek a means of correcting them. Under the Community Service Employment Program, for example, individuals receive on-the-job training. However, many positions may be off-limits to seniors if they are uneligible for employment because of certification requirements. It is within the power of the sponsoring agency, whether it be a State Area Office or the National Council of Senior Citizens, to offer training and certification to applicants. This may be one area the committee may want to explore.

Another area which may be worthy of exploration is placing lower income seniors, under title II-A and others under title III of the Job Training Partnership Program (JTPA), into training programs for child care. Once job training and certification are completed, the "graduates" could even operate the JTPA's child care program for welfare mothers under title II-A.

The 55 and over workforce is a viable pool which is too often overlooked and underestimated. When seeking support for my resolution, one staffer asked who would be baby-sitting whom under the resolution. My reply was, and is, simple: most older individuals do not need baby-sitters. The only requirement is opportunity—the opportunity to offer knowledge and experience gleaned over the period of a lifetime—it may be the best choice a business could ever make.

Mr. **Roybal.** The Chair recognizes Mr. Schuette.

Mr. **Schuette.** Thank you, Mr. Chairman. I do not have a written statement, but I look forward to hearing Secretary McLaughlin's comments and the rest of the panel of witnesses and commend you for holding this hearing.

Mr. **Roybal.** I thank the gentleman. At this time, if there are no objections, I would like to submit the prepared statements of Representatives Tom Tauke and Jim Lightfoot for the hearing record. Hearing no objections, so ordered.

[The prepared statements of Representatives Tauke and Lightfoot follow:]

PREPARED STATEMENT OF REPRESENTATIVE TOM TAUKE

Experience, dedication, loyalty, all describe the older worker. As our society ages, the government and employers must adapt to the changing needs of the workforce. The government and employers will have to provide incentives to older workers to remain active participants in the workforce. The issues confronting this country as a result of the aging of the "baby-boom" are profound and critically important to the future economic well-being of workers, retirees and the nation. I commend the chairman for convening this important hearing on the future needs of older workers.

With the graying of the "baby-boom," this nation faces serious economic, labor and retirement policy questions. By the turn of the century, more than one half of the American workforce will be over the age of 35 for the first time in history. Thirty-five does not sound old to many of us here today, but this is a major shift in the composition of the workforce. An older workforce will have different economic and employment priorities than younger workers.

As older workers retire over the next twenty years, fewer and fewer younger workers will be available to replace them. There are several issues to consider in regard to worker replacement. First, it is important that we begin to seriously examine the need to change our attitude about work and retirement. Rather than encourage workers to retire at age 62 or even at 55 years of age, we should develop incentives for businesses to continue to employ for older workers beyond the early and normal retirement ages. It seems to me that most older workers retire at the first opportunity -- there are no incentives to continue to work.

For many older workers, retirement is not the issue. Instead, older workers have been unable to keep up with the modernized workplace. Without opportunities to learn new employment skills, older workers can be involuntarily shoved out of the job. Many older workers want to keep up with technological advances, but do not have the where-with-all to find the training. Education and training opportunities could mean the difference between work and unemployment.

The federal government provides education and re-training assistance through Title II-B and Title III-A of the Job Training Partnership Act for older and displaced older workers. Title V of the Older Americans Act provides employment opportunities for older workers on an income eligibility basis. These programs, in conjunction with state efforts to train and place unemployed older workers are invaluable to workers and cost-effective for taxpayers. As the Ranking Republican on the Human Resources Subcommittee of the Education and Labor Committee, I have had many opportunities to improve these important employment programs.

It is also important to recognize that the private sector is initiating re-training and education programs for older workers. Not only are employers developing efforts to confront the aging of the workforce, some larger corporations are implementing programs to lure retirees out of retirement. The service and financial sectors of the economy are particularly innovative in developing employment programs for older workers and retirees. I commend the efforts of employers to respond to the changing workforce demographics.

In my home state of Iowa, the state government is about to initiate an innovative program to link the efforts of the public sector with private sector efforts. The state has established a formidable track record on job placement for older workers. However, many job opportunities require technical expertise. The Iowa public/private partnership will emphasize education and re-training programs. It is quite possible that these efforts will lead to entirely new careers for older workers.

In addition to these initiatives, the federal government must seriously review retirement income policies. First, the Social Security Act contains disincentives to work beyond the normal retirement age, including the earnings test and the slow phase-in of the delayed retirement credit. I believe that the Congress should seriously consider the impact these Social Security policies have on retirement.

Secondly, important steps have been taken over the past several years to improve our pension laws. To date, however, the Employee Retirement Income Security Act (ERISA) does not address the increased mobility in the workforce. As a result, many workers lose important pension coverage with each new job. I strongly support legislation that would establish portable pension plans. Portability would ensure that all work and pension credit applies toward one, on-going pension plan. This proposal not only responds to the mobility of the American workforce, but also increases retirement income security for workers.

I look forward to hearing from our distinguished panel of witnesses today and to working to address the problems that older workers face.

PREPARED STATEMENT OF REPRESENTATIVE JIM LIGHTFOOT

MESSRS. CHAIRMEN, MEMBERS OF CONGRESS AND DISTINGUISHED PANELISTS AND GUESTS: I AM PLEASED THAT BOTH THE COMMITTEE AND SUBCOMMITTEE HAVE SCHEDULED THIS HEARING TO RECEIVE TESTIMONY FROM OUR PANELISTS REGARDING THE EMPLOYMENT OPPORTUNITIES AVAILABLE FOR OLDER AMERICANS. IN ADDITION, I AM PLEASED WE WILL EXAMINE CURRENT AND FUTURE EMPLOYMENT PROBLEMS CONFRONTING OLDER AMERICANS.

MR. CHAIRMEN, FINDING EMPLOYMENT CAN BE DIFFICULT FOR ANYONE. TOO OFTEN FRUITLESS. MY OWN STATE OF IOWA HAS A PROPORTIONATELY LARGE NUMBER OF ELDERLY. THE BIRTH RATE AND DEATH RATE HAVE DECLINED SIMULTANEOUSLY AND OVERALL HEALTH AND LONGEVITY RATES CONTINUE TO RISE. AS A RESULT, IOWA HAS A HIGH POPULATION OF OLDER AMERICANS WHO ARE ANXIOUS TO WORK AND WHO ARE CAPABLE OF PRODUCTIVE LABOR.

IT IS NO LONGER THE NORM TO WORK UNTIL AGE 65 AND THEN RETIRE. MANY FACTORS HAVE CONTRIBUTED TO AN INCREASED INTEREST IN OLDER AMERICANS PURSUING ADDITIONAL INCOME. I RECEIVE MAIL FROM MY CONSTITUENTS BRINGING TO MY ATTENTION THAT THEIR SOCIAL SECURITY BENEFITS AS WELL AS ANY PENSIONS THEY RECEIVE MAY NO LONGER KEEP PACE WITH INFLATION TO PAY FOR THEIR BASIC NEEDS.

IN ADDITION, A NUMBER OF OLDER WOMEN HAVE ENTERED THE JOB MARKET AFTER RAISING A FAMILY OR AFTER THE DEATH OF A SPOUSE. FURTHERMORE OLDER WORKERS ARE SOMETIMES AFFECTED BY PLANT CLOSINGS AND INDUSTRY CHANGES. WE HAVE ALL HEARD SIMILAR STORIES WHERE AN ELDERLY CONSTITUENT HAS BEEN EMPLOYED FOR 35 YEARS AT A PLANT WHICH CLOSES. THAT OLDER WORKER WILL HAVE A DIFFICULT TIME FINDING ANOTHER JOB AND MIGHT EXPERIENCE LONGER PERIODS OF UNEMPLOYMENT THAN HIS YOUNGER COUNTERPART.

YOU MIGHT RECALL THAT THE SELECT COMMITTEE ON AGING HELD A HEARING A FEW MONTHS AGO REGARDING DISCRIMINATION IN THE WORKPLACE DUE TO THE AGE OF THE WORKER. EARLY RETIREMENT PROGRAMS ARE BEING USED TO REMOVE OLDER WORKERS FROM THEIR JOBS BEFORE THEY ARE READY TO RETIRE.

THERE ARE MANY OLDER AMERICANS WHO HAVE A SKILL TO CONTRIBUTE TO THE LABOR FORCE AND WHO FEEL A SENSE OF PRIDE THAT THEY CAN MAKE A CONTRIBUTION. MANY TIMES, THE JOBS THEY DO FIND ARE PART TIME, TEMPORARY, AND RELATIVELY LOW PAYING. I FIND THIS UNFORTUNATE SINCE OLDER WORKERS POSSESS MANY FINE TRAITS NEEDED IN AN EMPLOYMENT SETTING. OLDER WORKERS ARE RESPONSIBLE, TAKE A SERIOUS ATTITUDE TOWARDS THEIR WORK, AND ARE A GOOD INFLUENCE ON THEIR CO-WORKERS.

I AM PLEASED THAT THIS HEARING WILL ALSO EXAMINE FEDERAL PROGRAMS SUCH AS THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP)

AND THE JOB TRAINING PARTNERSHIP ACT (JTPA) PROGRAM WHICH ARE AVAILABLE TO ASSIST OLDER AMERICANS. I AM INTERESTED TO HEAR FROM OUR PANELISTS ABOUT HOW THESE PROGRAMS CAN BE FURTHER UTILIZED TO MEET THE GROWING NUMBER OF ELIGIBLE OLDER AMERICANS INTERESTED IN RE-ENTERING THE WORKFORCE.

ALTHOUGH THE FEDERAL PROGRAMS ARE SUCCESSFUL, WE SHOULD ALSO TAKE A MINUTE TO EXAMINE THE MANY STATE PROGRAMS THAT ARE AVAILABLE TO OLDER WORKERS. SPECIAL EMPLOYMENT ASSISTANCE IS PROVIDED IN THE STATE OF IOWA THROUGH THE RICEP PROGRAM OR THE RETIRED IOWAN COMMUNITY EMPLOYMENT PROGRAM. RICEP BEGAN IN 1975 AS AN EXPERIMENTAL EMPLOYMENT PROGRAM FOR PEOPLE 55 YEARS OF AGE OR OLDER. RICEP HAS PROVEN TO BE A SUCCESSFUL PROGRAM BY MAKING INFORMATION AVAILABLE TO OLDER IOWANS ABOUT JOBS AND SUPPORTIVE SERVICES.

THE JOB SERVICE OF IOWA ADMINISTERS THIS PROGRAM THROUGH 15 JOB SERVICE OFFICES ACROSS THE STATE. THE ELIGIBILITY IS RATHER BROAD SINCE ANYONE WHO IS 55 YEARS OF AGE AND OLDER AND WHO IS PHYSICALLY CAPABLE OF WORKING IS ELIGIBLE. IN ADDITION TO EMPLOYMENT SERVICES, RICEP REFERS PERSONS TO OTHER PROGRAMS SUCH AS LOW RENT HOUSING, VOCATIONAL REHABILITATION AND MORE.

IN ADDITION, I HAVE COSPONSORED LEGISLATION THAT HAS BEEN INTRODUCED BY MY DISTINGUISHED COLLEAGUE, CONGRESSWOMAN HELEN BENTLEY. THIS MEASURE PROMOTES THE COMMUNITY SERVICE EMPLOYMENT

PROGRAM AS A WAY TO ENCOURAGE AND RECRUIT OLDER INDIVIDUALS TO PROVIDE CHILD CARE SERVICES AS AN ADDITIONAL EMPLOYMENT OPPORTUNITY. I HOPE THAT MORE OF MY COLLEAGUES TAKE THE TIME TO LEND THEIR SUPPORT TO H.CON.RES. 362.

FINALLY, I AM CONCERNED ABOUT THE NUMBER OF ELDERLY WHO LIVE IN RURAL AREAS WHO WOULD NOT HAVE ACCESS TO IMPORTANT COMMUNITY RESOURCES, OR PRIVATE SECTOR OPPORTUNITIES. IT IS MY HOPE THAT THIS HEARING WILL ALSO EXAMINE THE ROLE OF THESE PROGRAMS AND HOW THEY CAN ASSIST RURAL OLDER AMERICANS.

I LOOK FORWARD TO HEARING FROM OUR PANELISTS TODAY.

THANK YOU, MR. CHAIRMEN.

Mr. **Roybal**. The Chair is now pleased to introduce the first panel. It is made up of the Honorable Ann McLaughlin, who is the Secretary of the Department of Labor, and Mr. Robert Jones, the Deputy Under Secretary for Employment and Training.

It is my understanding that Ms. Ann McLaughlin will be presenting the testimony, assisted by Mr. Jones, and it is also my understanding that Ms. McLaughlin needs very little assistance. She is a very capable individual; she has come to the Department of Labor as an expert and serves as an adviser to the President of the United States.

It is with a great deal of pleasure that I recognize Ms. Ann McLaughlin. Ms. McLaughlin, you may proceed in any manner that you may desire.

STATEMENT OF HON. ANN McLAUGHLIN, SECRETARY, DEPARTMENT OF LABOR; ACCOMPANIED BY ROBERT JONES, ASSISTANT SECRETARY OF LABOR FOR EMPLOYMENT AND TRAINING

Ms. **McLaughlin**. Thank you, Mr. Chairman.

It is a pleasure and an honor to appear before this committee today and I might, if I could, correct one thing. Mr. Robert Jones, who is accompanying me—thank you to the United States Senate—is now confirmed as Assistant Secretary of Labor for Employment and Training.

Mr. **Roybal**. May I congratulate Mr. Jones for that appointment on behalf of the committee.

Would you please proceed, Mrs. McLaughlin.

Ms. **McLaughlin**. Thank you. I would, as others have, like to submit my full statement, if I might, for the record and, joining Mr. Gunderson, I will say mine is terrific, too, and I hope that everyone will read it.

Mr. **Roybal**. Without objection, and we will be sure to read it. Will you please proceed.

Ms. **McLaughlin**. Yes, I would like to give some highlights. This issue is of tremendous importance.

When I came to the Labor Department, I had two studies on my desk, the Bureau of Labor Statistics Project 2000 and the Hudson Institute Report done with the Department of Labor called "Work Force 2000." Clearly, an aging population, a maturing workforce, fewer young workers by the year 2000 were the highlights of those studies.

We know now that the median age of the labor force will be 39 years old. That is up from 36 years old today. Average retirement age is about 61.

While overall population will increase by 15 percent, the number of people between the ages of 48 and 53 will jump by as much as 67 percent, and the number of young people will be in decline relatively and absolutely. By the year 2000, in fact, we have learned that there will be perhaps 1 million fewer young workers between the ages of 16 and 24.

We found in these studies that the labor force participation rate of older Americans, then, is also declining. That means that individuals are spending a smaller part of their lives involved in the productive workforce and a greater percentage of valuable resources, our most experienced workers, are not being utilized.

It is in that context that I would like to highlight some of the issues that we at the Department of Labor have on our minds and perhaps—I don't have solutions today, Mr. Chairman—but some suggestions.

I might point out that in the time I have been at the Department, since these studies were done and perhaps the work of many in Congress, these issues are becoming more popular in the press and I cite, for example: September 3rd, Washington Post, an article, "The Graying of the Work Force: Can Productivity Be Maintained?"

August 29th, the New York Times: "Over 50; Overqualified and Unemployable."

The Chicago Tribune at the end of August: "Aging Work Force is a Gray Area for Companies."

The Wall Street Journal in August: "Plateaued Workers Cause Big Damage."

The Washington Times in August: "Workers Hitting the Limit."

Those are just a few that have come to our attention and I think we will continue to see more articles in the popular press on these issues in the year ahead.

Some of the issues that we would like to highlight today are, for example: older workers possess qualities that are vital to the success of American industry: maturity, stability, commitment and well-honed skills. Their premature departure from the labor force, we feel, would seriously deplete our most valuable resource, our human capital, our people, our workers.

The Department of Labor, as the Federal Agency responsible for the issues facing the American worker, is concerned about the productivity of our economy and our global competitiveness. We feel we must ensure public policies that, first, enable older individuals to seek the rewards and, importantly, the respect and the personal satisfaction of participating in a vital and productive capacity in the workforce.

Second, encourage employers, importantly, to examine the economic realities that we are all familiar with, such as a workforce that includes an expanding, mature, experienced population and a contracting young entry-level population.

Third, encourage arrangements that ensure retirement security.

As we move into the workplace of tomorrow, we need a better match between the workforce and the workplace. Far more attention must be given to the design of jobs and working conditions that are deliberately tailored to the very distinctive capabilities and limitations, the needs and the preferences of older workers who are now employed or, who under the right circumstances, might choose to become reemployed. So recruitment, training and retraining of older workers will become most important.

The examination of these issues, I think, should be left as broad as possible to ensure that all workforce issues are considered together. For example, the term "older worker," we feel, must be defined to include the following: individuals who lack skills necessary for employment or who possess skills that perhaps now have become obsolete over a course of time; individuals who possess skills that are becoming increasingly valuable as other workers retire and the number of new entrants to the labor force declines; individuals who, because of health or personal preference, are seeking perhaps new or more flexible or different work environments than they have had previously; and individuals who are reviewing their options to decide, with some equanimity between continuing employment or retirement.

Also the range of issues confronting older workers includes negative stereotypes in our society about aging and about productivity. Traditional patterns supported by collective bargaining agreements that frankly have geared worker expectations and rewards to a set number of years or a particular age reached for retirement, and job demands and schedule constraints which are arbitrary and perhaps unnecessary and inconsistent with the skills that older workers possess today.

Personnel policies often can make it more desirable to leave than to remain: for example, the early retirement incentives. Also facing our older worker today is increasing responsibilities for dependent elder care.

So there needs to be a wider examination, I think, of all these issues: employers, unions, government, all must recognize and take advantage of what I think we all will see as opportunities to meet the challenges of the aging workforce.

In June, in order to have the Department look to the 1990s and particularly this issue, I formed a task force to examine not only Department of Labor policies, but to look rather deeply at the older American worker. We are looking at population trends, benefits, particularly the workplace and health and safety, and other areas as we approach the year 2000.

That task force, I hope, will complete its work by the end of the year and we will, of course, be happy to make all of our information and findings available to this committee and others.

In addition, as a piece of a discussion on the older worker is the role of affirmative action. In about another 2 or 3 weeks, we will be releasing another Hudson Institute report done with the Department of Labor's Employment Standards Administration called "Opportunity 2000," that specifically addresses older worker and affirmative action and, obviously, of interest to you, Mr. Chairman, and Mr. Martinez, the Hispanic dimension that you mentioned this particular week.

I might just highlight a couple of things that that report will find: that there are barriers, of course, and we know them and that is why you are having this hearing. They are formidable, but they are not insurmountable with regard to hiring or keeping employed the older worker. Affirmative action techniques can be a valuable tool and barriers can be reduced.

Some examples are: creative and targetive recruitment efforts that are designed specifically for older workers; flexible work options, including part-time employment or reduced work loads; job-sharing, sabbaticals, flexitime and volunteer time; positive work environments, which offer upward mobility; supervisory training for managers so that they might overcome negative stereotypes about aging and employment; preretirement planning programs that focus on options for continuing to work, rather than the traditional early retirement programs: development of work assignments to fit the needs of older workers, sort of an emphasis on job redesign that could reduce highly stressful or physically demanding elements.

And I might add that, as we see the workplace changing with a service economy, the opportunities for older workers are greater than ever before. Training and retraining opportunities that allow our older workers to compete equally with younger workers is another way to reduce some of these barriers.

I would hope that our efforts at the Department in these reports and ongoing projects, and yours, Mr. Chairman, will establish a structure for future policy deliberations and development. I would hope to work with you and I thank you for having this hearing to highlight these issues at this time.

Thank you.

[The prepared statement of Secretary McLaughlin follows:]

STATEMENT OF
ANN McLAUGHLIN
SECRETARY OF LABOR
BEFORE A JOINT HEARING OF THE
SELECT COMMITTEE ON AGING
AND THE
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES

September 14, 1988

Mr. Chairmen and Members of the Committees:

Thank you for this opportunity to appear before you today to review current and future problems confronting older workers as well as to discuss the status of specific Department of Labor programs. Accompanying me today is Roberts Jones, Assistant Secretary of Labor for Employment and Training, whose agency administers the programs which provide direct services to older Americans.

The Aging Population and Workforce

As you are well aware, the number of "older Americans" is growing, and will grow dramatically during the first part of the 21st century. The median age of the population in the year 2000 will be 36 - older than at any time in the history of the nation. While the overall population will increase by 15% between now and the year 2000, the number of people between 48-53 will jump by 67%, and the number of young people will decline both relatively and absolutely.

Meanwhile, increasing numbers of workers are leaving their jobs at an earlier age, spending a greater portion of their adult lives outside the workforce. This means that greater percentages of our most valuable resource, experienced workers, are not being utilized. These trends are both provocative and profound. Public institutions must be prepared to respond to the challenges offered by the changing demographic structure. It is this demographic reality that prompted me to initiate an Older Worker Task Force.

Older workers possess qualities that are vital to the success of American industry - maturity, stability, commitment and well-honed skills. If their "premature" departure from the labor force is because of inappropriate public policy or lack of knowledge and opportunity, early retirement would become an economic cost to the nation as well as to either the individual worker or the employer or both.

The Department of Labor, as the federal agency responsible for the issues facing the American worker, and concerned about the productivity of our economy and our global competitiveness, must ensure that public policy:

- o enables older individuals to seek the rewards and personal satisfaction of participating in a vital and productive capacity in the workforce;
- o encourages employers to examine the economic realities of a workforce that includes an expanding, mature, experienced population, and a contracting, young, entry-level population; and
- o encourages arrangements that ensure retirement security.

As we move into the workplace of tomorrow, we need a better match between the workforce and the workplace. Far more attention must be given to the design of jobs and working conditions that are deliberately tailored to the distinctive capabilities, limitations, needs and preferences of older workers now employed and others who, under the right circumstances, might choose to become reemployed. Recruitment, training, and retraining of older workers will become more important.

The examination of all these issues should be left as broad as possible to ensure that all workforce issues are considered. For example, the term "older worker" itself must be defined to include:

- individuals who lack skills necessary for employment or who possess skills that have become obsolete over time;
- individuals who possess skills that are becoming increasingly valuable as other workers retire and the number of new entrants to the labor force declines;
- individuals who because of health or personal preference are seeking new or more flexible work environments; and
- individuals who are reviewing their options to decide between continued employment or retirement.

The range of issues confronting older workers includes:

- negative stereotypes about aging and productivity;
- traditional patterns, supported by collective bargaining agreement, that gear worker expectations and rewards to a set number of years

worked, or age reached, and retirement;

- job demands and schedule constraints which are arbitrary and unnecessary, and inconsistent with the skills and needs of older workers;
- personnel policies which can make it more desireable to leave than remain in the workforce, e.g., early retirement incentives; and
- dependent elder care.

The questions that are swirling around the topic of older workers in many cases are based on thoughtful and well documented studies as to the health and well being of retirees, job preferences of individuals, and statistics about labor force participation. The Older Worker Task Force has incorporated these studies into its deliberations as it clarifies the issues and provides the framework for the on-going policy discussions. The Task Force has adopted a proactive approach to ensure that Departmental policies serve to maintain and improve the quality of the American workforce in light of demographic information. Public policy should be dynamic if it is to be responsive to the needs of society, and should not cause problems or hamper the natural decision making process of the workers and the employers.

Background

The prosperity and freedom enjoyed by Americans during the last century is reflected in the way people choose to spend their time. Since 1900, as life expectancy has increased, the years of education and retirement have also increased. The relative time devoted to worklife among men declined from 69% in 1900, to 62% in 1950, and to only 55% in 1980. The startling point, however, is that while the number of years of worklife climbed from 32 to over 41 between 1900 and 1950, that number had actually dropped to 38.8 by 1980. At the same time, the economic status of the elderly has improved overall, making retirement not only an attractive alternative to work, but an affordable one as well. Although specific groups such as elderly widows still face hardship, in the 20 years from 1966 to 1986, the poverty rate for those 65 and over has been cut in half, while their median family income has increased by half.

A great deal has been made about the "aging" of the American population. There have been improvements in medical technology as well as in the overall standard of living and normally expected levels of health care. These have resulted not only in an increase in individual life expectancy, but also an increase in the number of people enjoying that longer life. Projections by the U.S. Bureau of the Census for the next six decades indicate that these trends will continue, and that in fact, a growing portion of the total population will be made up of older people.

In the near-term, the "aging" will be not so much a result of a dramatic increase in the numbers of people over 55, but rather the normal aging of the "baby boom" generation. It is the middle age groups that will grow most between now and the year 2000.

The bulge that represents the baby boom is even more pronounced because it is bracketed by the relatively small number of people born during the depression and World War II, and the "baby bust" that occurred when that smaller depression-era group itself later experienced a relatively low birth rate.

It is important to put this in perspective. While the median age of the American population will rise to its highest level in history between now and the year 2000, the median age of the labor force at that time will still be almost two years lower than it was in 1962. Aging of the labor force in and of itself is not cause for alarm.

Moreover, we are not facing a situation in which all of the workers will suddenly retire, leaving no one to produce the goods and provide the services that support our economy. The "support ratio" is the comparison of people traditionally thought of as outside the normal working years to those people who are between the ages of 18 and 64 and are considered to be the workers and caregivers of society. There has been a dramatic drop in the relative number of dependent children, and an equally impressive rise in the relative number of elderly. By the year 2040, the elderly will actually be a larger share of the population than the young. But, the total support ratio was higher in 1960 than it is expected to be for the next half century.

As workers grow older they begin to face decisions regarding retirement. Since 1960, the participation rates for workers 55-64 dropped from 86.8% in 1960 to 72.1% in 1980. The median retirement age in 1980 was only 61, with two-thirds of the workers having retired before age 65. Projections for the year 2000 show a continuation of this trend. This represents choices between lifecycle activities, and may be a sign of social development.

As recently as 1968, almost half of the family income for those people who had already reached the traditional retirement age was in the form of earnings from work. Since that time, the relative importance of earnings has declined significantly, while the income from prior employment in the form of social security, pensions, and asset income has come to make up more than two-thirds of the total. Thus, while the labor force participation of these older Americans over the age of 65 remains an important issue, pre-retirement labor force experience takes on even greater importance, since it has a direct bearing on the primary sources of income for most Americans after they have reached the age of 65. The 1983 Social Security Amendments resulted in a healthy reserve for the Old Age and Survivors and Disability Program that should last well into the next century.

The Minority Elderly

The minority elderly experience unique problems related to their special situation. As you requested, we will focus particularly on the problems faced by Hispanic older workers. The Hispanic elderly, for instance, have a labor force participation rate similar to other ethnic groups. However, they are more likely to be unemployed. Minorities have historically filled lower paying jobs that may not provide substantial social security benefits. Consequently, today they make up a disproportionate share of the poor elderly. In addition, a number of Hispanics may lack the English language skills to compete in the wider job market. They are forced into a segment of the job market which requires only

Spanish language skills or they must find positions which do not require English language skills. Fortunately, the employment and training programs operated by the Labor Department are able to address these disadvantages.

DOL Programs and Services

The Department of Labor, through the Employment and Training Administration (ETA), has a variety of programs that serve older workers: The Senior Community Service Employment Program, The Job Training Partnership Act, the Federal-State Employment Service system and research and demonstration activities. The Unemployment Insurance system also serves older workers.

The Senior Community Service Employment Program (SCSEP), authorized under Title V of the Older Americans Act, provides part-time employment for low income individuals, 55 and older. About 40% of all participants are in agencies that provide community services to senior citizens and 60% work in agencies that provide services to others. In recent years, the Department has encouraged sponsors to place enrollees in positions or projects that will lead to improvement in the transition of participants into other public and private sector jobs. Last year over 20% of the participants, nearly 14,000 left the program to take non-subsidized jobs in the private and public sectors. A large majority (80%) of the participants are over 60, 70% are female, over half have not completed high school, and all have a family income below or near the poverty level. Over a third are minority group members. In fact, while 5% of the elderly population is Hispanic, over 8% of all enrollees are Hispanic. Historically, this program has served large numbers of women and minorities, often enabling minority women to enter or reenter the labor market after years as homemakers. SCSEP projects are required to serve the needs of minority and limited English-speaking persons. Our sponsors have been advised of this requirement and the participation of minorities, which has historically been good, continues to be greater than their incidence in the population.

Under the Job Training Partnership Act (JTPA), participants 55 years of age and over receive job training and employment services under Title II-A, through the three percent set-aside program, and Title III. In PY 1987, approximately $104 million were spent to provide employment and training services to an estimated 78,500 participants, 55 and older. This included $55 million for 53,000 older individuals under the three percent set-aside; $31 million of Title II-A funds for 14,800 economically disadvantaged older individuals; and $18 million of Title III funding for the provision of services to 11,000 dislocated workers, 55 and older. About 25% of these older JTPA participants are minority group members and of these, about 8% are Hispanics.

We are encouraging the SCSEP sponsors and JTPA operators to coordinate their programs closely. This makes the two programs available to more people and improves the quality of services available to them. For instance, through the movement of SCSEP enrollees into JTPA training positions, enrollees can develop new skills through classroom instruction and other formal training situations. After training they may be able to find and enter unsubsidized jobs in the private sector. Since JTPA was authorized, we estimate that over 2,000 SCSEP enrolles have participated in both programs and many have been placed into full-time jobs. We believe it is important to effectively utilize all of the Department's available resources on behalf of older workers, and will continue to strongly encourage close program coordination.

The Federal-State Employment Service (ES) System offers employment assistance to all jobseekers, including middle-aged and older persons. In PY 1985, the last year age and characteristics data were collected, approximately 1.1 million or 5% of the 20 million applicants for ES services were 55 years and older. In that same period, 102,000 or 3% of the 3 million applicants placed in jobs were 55 and older.

The Unemployment Insurance (UI) system provides up to 26 weeks of cash payments to workers who have lost their jobs through no fault of their own. In Fiscal Year 1987, $15.3 billion in unemployment compensation was paid to 7.7 million unemployed workers. Currently available claimant data show that 12% are 55 and older.

Since 1979, ETA has funded numerous research efforts targeted at older workers which produced a variety of reports containing research findings, case studies, program models, employment policies, etc. The National Commission for Employment Policy (NCEP) conducted a comprehensive examination of the labor market problems of older workers and national employment policies that affect them, with the results and recommendations contained in its 1985 annual report, Work After 45: Prospects, Problems, and Policies for Older Workers. In

PY 1988, two reports will be published; (1) the health, income and employment activities of retired union members and (2) a study identifying innovative and exemplary services offered by several State employment service agencies.

The range of activities within the Department to address issues confronting older workers is quite significant. The Department of Labor, through the Pension and Welfare Benefits Administration (PWBA), protects the rights of workers, including older workers, to participate in and receive benefits under private employer-provided pension, health and other welfare benefit plans. In addition to its regular program activities, the PWBA also conducts research of particular interest to older workers; for example, the Census Bureau is currently collecting data for PWBA, to be published some time next year, which will study health insurance among persons age forty and over. The Women's Bureau will continue its focus on elder care.

Additional new activities within the Department of Labor are also being conducted to address issues of concern to older workers. Within the next few months the Pension Benefit Guaranty Corporation will publish a consumer oriented booklet containing information on pension rights. The Employment Standards Administration will finish work with the Hudson Institute identifying new and alternative recruitment and retention strategies to address the specific needs of older workers. The Bureau of Labor Statistics will release a study on the labor market problems of older workers. The Apprenticeship 2000 initiative will address the issues of age discrimination, retraining of older workers, career paths, journeyman upgrading, etc., through various research activities.

In March 1988 the Bureau of Labor-Management Relations and Cooperative Programs jointly sponsored with Wayne State University a national conference dealing with a broad range of economic and social issues affecting an aging workforce such as: health care, pension system solvency, retirement security, elder care, education and training for new jobs and new technologies, and the design of jobs and working conditions. The publication of the work of this conference will occur later this year.

In conclusion, Mr. Chairmen, identifying the needs of the workforce and developing appropriate solutions is a task that the Department does not take lightly. With fewer young workers entering the labor force between now and the turn of the century, older workers will become an even more valuable resource. To take advantage of this resource, recruitment, training and retraining of the older worker will become more important. Consequently, the practical experience that we are gaining with older workers under the SCSEP and JTPA will form the foundation upon which some future training and employment policies can be based. As we continue the development of improved services to the elderly, we will make the appropriate adjustment for services to minority groups including the Hispanic elderly.

As we move into the workplace of tomorrow, we need a better match between the workforce and the workplace. I hope that efforts we have taken within the Department as well as efforts such as yours will establish a structure for future policy deliberations and development. There needs to be wider examination of all these issues. For my part, I will work to see that public policy is not a barrier to productive workforce participation of older Americans. The ability of older workers to choose among available workforce options and alternatives must be enhanced. Employers, unions, government, must all recognize and take advantage of the opportunities and meet the challenges of an aging workforce.

Thank you, Mr. Chairmen. This concludes my prepared statement. We will be pleased to answer any questions that you or other members of the committees may have.

Mr. ROYBAL. Thank you.

Mr. Jones, anything you would like to add to that?

Mr. JONES. No, Mr. Chairman.

Mr. ROYBAL. I thank you, sir.

Madam Secretary, I would like to first of all applaud you for your initiative of an Older Worker Task Force with the Department of Labor. I think it is most commendable.

In your testimony, you note the dramatic increase in the age of the general population by the year 2000 and beyond. You also note the declining number of new younger entrants into the workforce and the continued trend towards the early retirement of older workers.

I would like to again focus on what you believe the Federal Government and the private sector should be doing to facilitate and encourage older workers to remain in the workforce. That will be one question.

Then I am going to ask each member of the committees to limit themselves on only one question per person. That is because of the fact that there are so many of us; we can be here for a long time asking questions. We would like to get to the other witnesses.

Again, I would like to focus on this one question, and that is, what do you believe that the government and the private sector should be doing to encourage older workers to remain in the workforce?

Ms. MCLAUGHLIN. I think there are a number of things. Obviously, after my task force report, I will have perhaps more identified. We are talking about a situation of the real-world demographics creating an environment where employers needing workers and needing qualified workers will be forced, if you will, by the marketplace to look to the older worker. That is good news, I think.

What complements that is a hearing like this, the publicity that I cited from the newspapers, the work at the Department to look at where there are legislative barriers and where there are programmatic barriers that will complement the demographics to assure: one, that older workers' own abilities for choice are enhanced; two, that employers most importantly, because that is who is hiring the older worker, have an adaptation and perhaps a more enlightened change of mind, that there are ways with, as I mentioned, flexitime and job-sharing, changing the way the job might be set up to encourage workers to stay. Retirement policies and benefits, obviously, are a piece of that.

I think, three, and specifically, the government should be looking at all of the programs that affect older workers almost in a composite, but as it also relates to all workforce issues that are coming upon us as we approach the year 2000.

It seems to me that the cap on income that was discussed is something that this body could be addressing, while we in the Department of Labor are looking very strongly at our training programs, for example, which are a key to the success of an older worker, ensuring the skills that are needed for tomorrow based on what they already have. So I think it runs from, as I say, the legislative to the practical, and the demographics and the needs of employers are a complement and those are just some highlights of what I see has to be done.

Mr. **Roybal**. Thank you.

The Chair recognizes Mr. Martinez.

Mr. **Martinez**. First of all, Secretary McLaughlin, you are to be commended for your efforts with senior citizens, especially your initiation of the Older Worker Task Force. I think that is a great help towards trying to resolve some of the problems.

But one of the questions I have deals with something that my subcommittee has jurisdiction over, the JPTA. You are a key member of the Cabinet in policymaking. Certainly in the time you have been with the Department of Labor, you have come to understand some of the problems with JTPA and especially the section of JPTA that reaches older workers for retraining.

The section has been widely criticized for not really doing a sufficient job for older people. We sit here wondering, and maybe you can tell us, is there a central problem there? Is it that maybe workers of that age don't want to be retrained or reeducated or is it a myriad of other problems? What can we do to make it more effective?

Ms. **McLaughlin**. I think you hit on something that is important. As we talk about the older worker, and I particularly just did in reference to employers and government, we have to also understand the older worker himself or herself. If I might just quote from an article in the Washington Post of September 5th by Carol Kleinman, she points out from a study that was done by a Commerce Clearing House that "Job plateaus, outdated skills and rapidly changing workplaces, especially technological innovations, were reported as the major causes of problems with older workers. However, two-thirds of employers reported that older workers were complacent and lacking in motivation; 50 percent described their older workers as inflexible; 65 percent said older workers at career plateaus are clogging the promotion line," et cetera.

My point is we have a lot here to have to deal with—and I might suggest that we face those same kinds of efforts within JTPA—getting people who would be particularly benefited by the program to have the give and take and participation.

I would like, though, on any specifics on JTPA to ask Bob Jones to help me out on this.

Mr. **Jones**. Mr. Chairman, the answer to the second part of your question is yes. There are some structural differences and issues that arise in this system, notably at the top. Our Senior Community Employment Program, as you know, is effectively a wage-base program; and the JTPA older worker program is a nonwage-supplementary system. It pays only for the training itself.

Obviously, there is a difference in people's interest in participating in such programs. Perhaps more importantly, however, over the years, the agencies that have run the Senior Community Employment Program, which is a job- and wage-oriented program, are a different group than have been running job training programs.

The first 3 or 4 years of the JTPA system, it has been a major issue to bring those two together—the States, national organizations and job training system—to effectively merge how they work together and how they serve people.

We are succeeding. I think we are at a point now where, in fact, both communities would suggest to you that we are close to full-dollar utilization in the JTPA side of the house. But it is an institutional issue of changing how they do business and come together. In the one case, peer training, and in the other case, peer wage subsidy.

The third point I would make is, as we agree to expand training and address the issues the Secretary has pointed out: for many years, the Congress, administrations, foundations and research institutions have poured billions of dollars into understanding youth training and youth education, youth job placement problems. We have done very little examining how one effectively trains and transitions older workers.

Now we are looking at a point where they are needed and we are addressing potentially the great need to train them and move them into productive or optional situations, but we know very little about what things are important to older workers themselves in that setting and in that work relationship. I think that is an area we are going to have to invest a great deal of money in in the very near future.

Mr. **Martinez**. Thank you, Mr. Jones.

Just one more question, Secretary McLaughlin. We often talk about the need for public policy and creating access to Federal and State programs. But even when government develops proper policies and achieves a certain amount of success in providing access, there is another component that is really necessary to our success and that is the private sector.

What types of initiatives, in your opinion, should the private sector add to assure that the workforce that we talk about of the future matches the needs of the business market that is out there? The match-up is a very critical thing. Very often people get into training for jobs where there becomes an abundance of people qualified for that job and not enough jobs for them.

In your opinion, what should the private sector do to help that out?

Ms. **McLaughlin**. With the workforce as a whole—and then maybe I can bring it back to the older worker—we can encourage enough employers and our educators or training experts to be talking to one another. Something that I have done recently is called, "building a quality workforce" which involves getting employers and educators—and we are doing this in all 50 States—talking to one another so that the employers and the businesses, can be telling educators what their needs are going to be as they look to the future.

I think that is important. It is specifically important for older workers. I think that the private sector has now, from what I understand, only 30 percent of the companies have programs for counseling and training for older workers. So clearly, that needs to be on the rise.

I think making the match, as you point out, for what the needs are in the future with what skills training can be given today is important for the older worker, as well as all workers.

In addition, however, there are things that are being done and that is back to something I said earlier with regard to structuring the workplace with flexitime or benefit plans that are adaptable to the older worker, and thereby giving the older worker choice. I think that is where the career counseling comes in.

I think older workers, like all workers, want choice and right now perhaps they are being prevented from having as many choices as they would like and that goes along with what we are talking about of finding out what they do want.

So I think the private sector has to address those particular areas and some are doing it very well, but clearly not enough.

Mr. **Roybal**. The time of the gentleman has expired.

The Chair recognizes Mr. Rinaldo.

Mr. **Rinaldo**. Thank you very much, Mr. Chairman.

I would like to first of all welcome Secretary McLaughlin here. She is from my home State of New Jersey and we are certainly all very proud of her.

I appreciated the responses you gave to the questions that were propounded by the chairman of this committee and the subcommittee and I would like to ask, when you speak about the private sector, do you feel in your opinion that incentives are needed to encourage employers in the private sector to train and hire older workers? If so, what incentives are appropriate and additionally, in your own personal opinion—I know this isn't within your jurisdiction—do you feel that removing the Social Security earnings limitation would aid in this overall effort?

That is a comprehensive question, but I had to do it that way because the chairman said we are limited to one question, and I wanted to make sure I got it all out in one mouthful.

Ms. **McLaughlin**. One question, four parts. I would be happy to. First of all, with regard to the private sector and incentives: incentives are good as a general rule. I think that is nice, but I would rather say for the moment, until we finish our work at the Department, that it is in their self-interest because of the slower growth of the labor force and what the pool of workers will be.

It seems to me that is the driving factor before we start giving them incentives. I think that is important.

Second, I hate to say it but it really is the bully pulpit also. We are trying to change attitudes and at the same time, the reality of the demographics is there.

Obviously, the thing we can do is remove barriers before we go the incentive route, one of which now leads into a personal view: the cap on income under Social Security. We have, many of us within the administration, long thought that should be looked at because it may indeed need to be changed. But the administration, I don't believe, has come forward with an official position. So I personally would say that is something that we would look at; it is not something the Department of Labor has jurisdiction over completely, but as a complement to our work, we will look at it in our findings.

Did I answer all your parts?

Mr. **Rinaldo**. Yes, I think you did.

Ms. **McLaughlin**. Thank you.

Mr. **Rinaldo**. Thank you, Mr. Chairman.

Mr. **Martinez**. Mr. Chairman, I would like to recognize the ranking minority member of my subcommittee, who writes tremendous statements, but he asks even better questions. Mr. Gunderson.

Mr. **Gunderson**. Thank you, Mr. Chairman. Unfortunately, a lot of the questions I was going to ask have already been asked, but Secretary, would you discuss at all what seems to be a bit of a need for us in society to deal on the one hand with the real need to not only provide the older Americans with a choice, but frankly, the incentives to keep them working as we look at labor shortages in the 1990s with a conflict which is the apparent desire of more and more people in this country to seek early retirement.

How do we deal with that attitudinal problem? Do you have any ideas for that?

Ms. **McLaughlin**. No, but—well, just off the top of the head a little bit in terms of some of the discussions we have had, a couple of things.

Number one, if the earlier retirement packages are so attractive because corporate policy frequently wants to move those people out, as I pointed out in one of my comments here a minute ago about the clogging for promotions for others, that is a carry-over from when there were many more new entrants, younger people coming in. I think companies are going to see that encouraging your people to leave at even 50 or 55 or 60 may not be the right way to manage their business. So I think there will be a change there.

Two, as we look ahead, the nature of the workplace, the nature of your work contractor, employment contractor, if you will, written or unwritten, is quite different than it was 30 years ago. You worked real hard for 30 years, at pretty much the same job and boy, you couldn't wait to retire. As we look to the type of economy we are having, we look to the choices, and particularly, something I have spent some time on as well, the family/work conflict. We look at smaller businesses hiring so many of our people. Hopefully you are enjoying your life and it is more of a three-dimensional existence, if you will. Your desire to continue into other areas will be greater for your own self-esteem and dignity and contribution; rather than driving through to retire.

I don't know. This is just my own personal view: that there is a different kind of work environment that perhaps might be even more enjoyable. Everything that we have seen, by the way, suggests people are enjoying their jobs more with technology. That might create a different view of what retirement means to you.

It might mean doing something you haven't done before, but still getting paid for it and it is still a job. Or it might mean just sitting still. But I think that is the dynamic that is happening in the workforce and the workplace over the next 20, 30 years that is quite different.

Does that help?

Mr. **Gunderson**. Yes. Do you see a need for—will pension portability contribute to keeping these people?

Ms. **McLaughlin**. We have been talking a lot about that. I am going to say yes, at the risk of irritating my Assistant Secretary for Pensions because pension portability sounds good. But there is a lot more to it. We are doing a lot of work in that area; but the name of the game in the future, be they older workers or younger workers, is going to be adaptability and flexibility, obviously along with the education to take the jobs. Certainly the pension programs and benefits programs have to be looked at, I think, against that need.

Mr. GUNDERSON. Thank you.

Mr. ROYBAL. The Chair recognizes Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman, and Secretary McLaughlin, I welcome your leadership in this field. I have read your statement and you make some excellent points.

In evaluating the demographics leading into the year 2000, are you led to believe there will be, in fact, a shortage of workers in order to meet the needs of our society and recognizing, as you point out, that self-interest really motivates people and that industry is now trying to compartmentalize the production cycle so people have a greater involvement.

Do you think that as a matter of national policy, and after all, that is our responsibility at this side of the table, to address policy issues, that we should be evaluating the Tax Code, perhaps some of the OSHA requirements, perhaps some of the other standards that we impose on our industrial community? Should we be evaluating those and will the Department be making recommendations in that area that will make it more attractive in the self-interest of the worker to stay longer and of the industry to employ that person to meet what, it appears from your statement, will be demographically a tough problem probably over the next 12 years or perhaps even longer?

Ms. MCLAUGHLIN. Yes. I think that, again, whether it is older workers or the whole workplace needs for the year 2000 and beyond, we should be looking at all of the kinds of issues you suggested. Obviously, since we have OSHA at the Department of Labor, health and safety is one area we are looking at in the task force, vis-a-vis older workers, just because of physical ability, stress, et cetera. I think that is important.

In terms of shortages, I think it would be risky to say we will have shortages. We happen to be experiencing some this summer because of fewer young people in certain job areas, but our emphasis has to be—for older workers and all workers—on training and education. We can say that we can offer a job by the year 2000 to everyone who wants one if they are prepared. It is something as a Nation we have never been able to say before.

So if you draw the national policy emphasis on job preparation, that covers not only older workers, but all of our workers, particularly minorities and immigrants and others who will be looking for jobs and need the training.

For older workers, there are special barriers that I think we should be examining very closely to see if we can allow them to have choices. I would also not want to leave the impression anywhere that we are trying to have everybody work until they drop. That is not the idea. The idea is choice and there are many, many people who would like either to have stayed on their job, find another, or go back, as we discussed, and find reemployment in a new field.

I think that is what we should be facilitating, that kind of adaptability.

Mr. **Martinez**. Mr. Chairman, at this time, I would like to recognize Mr. Williams, a member of the Subcommittee on Employment Opportunities.

Mr. Williams.

Mr. **Williams**. Thank you. Welcome, Madam Secretary.

There are very real employment hurdles, walls, barriers, dead-ends to elderly people who wish to secure and hold a job. Three of those barriers would be hidden, subtle, but very nasty hiring discrimination policies are used against too many older citizens by far too many of America's business people.

Another barrier would be an unlivable minimum wage, which has now remained at a static level longer than any time in American history.

A third would be the lack of any kind of mandatory leave policies that are enjoyed by 137 other countries—elderly citizens in 137 other countries. This country does not even have a mandatory unpaid leave policy, and yet senior citizens are among those who need a very flexible leave policy, not only to visit their ill grandson or granddaughter, but to take care of their own or spouse's illness as well. In the waning days of this administration, are there any plans to move on those very real barriers?

Ms. **McLaughlin**. I think I almost have to ask you, because I think that the calendar for these minimum wage and parental leave issues is up here.

Mr. **Williams**. We have learned an interesting thing during this decade under this President and the last ones: that is the Congress is not a place that can provide the ultimate leadership in America. That must come from the White House. When the White House threatens to veto bills, the Congress finds that long debates and votes on those bills become moot.

Ms. **McLaughlin**. Likewise, Congress doesn't employ all of our people; the private sector does, and we don't want to strangle the private sector. I think that the kind of debate that has been ongoing is healthy, particularly as we look ahead to workforce needs of the future.

Let me also say that—and I would be happy to make this available to you—that the status of our elderly overall—poverty rates among the elderly have declined dramatically since 1983, lower than the poverty rates for the rest of the population. We have done well as a Nation in that area. There is always more to do, but you might be interested in some of those statistics that we have in the Department. I will make that available to you.

Mr. **Martinez**. Thank you, Mr. Williams.

Mr. Chairman.

Mr. **Roybal**. Mrs. Meyers.

Mrs. **Meyers**. Thank you, Mr. Chairman.

I was glad to hear your comments, Madam Secretary, about your positive attitude toward taking off the limitation on earnings for older people. I do think that incentive is a major thing.

But since you have already commented on that, let me ask—there has been a lot of comment this morning about attitudes toward older people, and I have sensed a real change, I think, just generally about employing older workers. It seems to me like in the community in which I live, I do see older workers where you used to see teenagers being employed.

I think probably that will continue to change, as you have said, as we need the older workers more.

Now, do you sense that kind of an attitudinal change toward employing the older worker?

Ms. **McLaughlin**. I think it is coming and certainly we can see in some of our businesses that they are encouraging older workers to stay on, or come back again, because of the shortage of young people, and also the value of what the older worker can bring, the experience, the real maturity, job skills, et cetera. We have in this country something I have been talking about: the potential of the widening skills gap because of our young people getting out of school or dropping out of school unprepared for taking a job. That is only making the older worker more attractive, the more experienced worker.

So I can't say I can measure it beyond anecdotally right now. I think it is important to recognize that not enough private-sector people have, shall I say, policies and programs to specifically counsel and train and retrain older workers. But I think it is coming.

It is hearings such as this that help, I think, publicize the issue. But I think it is going to take time.

Mrs. **Meyers**. Do older workers seems to want to continue in the jobs that they have had or because they change locations and maybe want to work just part time, do they seem to want a change of jobs?

Ms. **McLaughlin**. I just don't think I am capable of answering that. I think the Commerce Clearing House report I mentioned and AARP would be much more able—maybe some of the other witnesses. I don't have that data to know exactly.

One of the things we are doing, however, is to try and accumulate some of that information to understand what older workers want. The shorthand way I can answer your question is that we know they want choices. I think that is what is important to recognize: to do a variety of things in their lives; and they want respect and the dignity that comes with participating in our society, not being shunted aside. Often retirement policies and other policies we have had traditionally have really had a negative effect on the person, not just on the worklife.

Mrs. **Meyers**. I appreciate the work that you are doing in this area.

Thank you very much, Mr. Chairman.

Mr. **Roybal**. Thank you, Mrs. Meyers.

The Chair recognizes Ms. Slaughter.

Ms. **Slaughter**. Thank you, Mr. Chairman. I have no questions. I just ask unanimous consent that my opening statement be accepted for the record.

Mr. **Roybal**. Without objection, that will be the order.

Ms. **Slaughter**. Thank you.

[The prepared statement of Ms. Slaughter follows:]

PREPARED STATEMENT OF REPRESENTATIVE LOUISE M. SLAUGHTER

I WANT TO THANK EACH OF YOU FOR AGREEING TO HOLD TODAY'S HEARING ON OLDER WORKERS. WITH THE GRAYING OF THE BABY BOOM FAST APPROACHING IT IS NOT TOO EARLY FOR US TO UNDERTAKE A REVIEW OF CURRENT POLICY AND TO LOOK TOWARDS SOLUTIONS THAT CAN SOLVE THE PROBLEMS FACING THE OLDER WORKFORCE.

THERE ARE, HOWEVER, A NUMBER OF SIGNIFICANT ISSUES THAT CONFRONT THE OLDER WORKER NOW. FOR EXAMPLE WE KNOW THAT OLDER WORKERS ARE DISPROPOTIONATELY REPRESENTED IN JOB LAY OFFS, THAT THEY TEND TO BE UNEMPLOYED LONGER THAN YOUNGER WORKERS AND THAT THEY ARE MORE LIKELY TO BE AMONG THE DISCOURAGED WORKERS WHOSE UNEMPLOYMENT BENEFITS HAVE ENDED AND HAVE JUST DROPPED OUT OF JOB MARKET. DISLOCATED WORKERS ARE THE OLDER WORKER AND WE MUST DEVELOP PLANS WHICH REFLECT THEIR UNIQUE NEEDS. WHILE I BELIEVE THAT THE SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM AND JTPA HAVE BEEN SUCCESSFUL INITIATIVES, I AM LOOKING FORWARD TO HEARING FROM TODAY'S PANEL OF EXPERTS ABOUT WAYS WE CAN IMPROVE THE SERVICES WE PROVIDE TO OLDER WORKERS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO BRIEFLY MENTION A PROGRAM IN MY DISTRICT, THE 30TH CONGRESSIONAL DISTRICT OF NEW YORK WHICH IS IN MANY WAYS A MODEL FOR PROVIDING WORK OPPORTUNITIES FOR OLDER AMERICANS.

GROW -- GAINING RESOURCES FOR OLDER WORKERS -- IS THE JOB PROGRAM OF THE REGIONAL COUNCIL ON AGING, A NON-PROFIT COMMUNITY BASED

ORGANIZATION IN ROCHESTER NEW YORK. GROW ADMINISTERS ALL THE MAJOR FEDERAL EMPLOYMENT PROGRAMS FOR THE ELDERLY...TITLE V, SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM, JTPA'S OLDER WORKER SET-A-SIDE, DISPLACED HOMEMAKER AND DISLOCATED WORKER PROGRAMS FOR WORKERS OVER THE AGE OF 45. GROW ALSO MAINTAINS A CENTRAL JOB BANK WHICH CAN BE ACCESSED BY ALL PROGRAMS.

BY HAVING ALL THESE SERVICES UNDER ONE ROOF GREATER COORDINATION AMONG PROGRAMS IS ACHIEVED AND PROGRAM SERVICES CAN BE MAXIMIZED. FOR EXAMPLE, A TITLE V WORKER WHO IS READY TO MOVE TO THE PRIVATE SECTOR BUT WHO NEEDS A SHORT TERM JOB TRAINING PROGRAM CAN MAKE AN EASY TRANSITION BETWEEN PROGRAMS.
THIS COORDINATED APPROACH HAS RESULTED IN GREATER BENEFITS TO THE OLDER WORKER AND INCREASED OUTREACH TO OLDER AMERICANS AND THE COMMUNITY AT LARGE.

OBVIOUSLY MR. CHAIRMEN, I BELIEVE ROCHESTER HAS AN EXCELLENT PROGRAM. I AM LOOKING FORWARD TO HEARING FROM TODAY'S EXPERTS ABOUT OTHER EXAMPLES OF WAYS TO SERVE OLDER WORKERS.

THANK YOU.

Mr. **Roybal**. Mr. Fawell.

Mr. **Fawell**. Thank you. There are a number of questions popping around in my mind, but I will try to center on just one. Oftentimes, back in my district when I talk to groups of senior citizens, I can't help but always see the tremendous potential that is there and probably, as with all of our potentials, we don't suspect what we do have.

So what I am getting at is this: how do we try to reeducate older people to see themselves differently? Almost everything they hear on TV and elsewhere, is you have to be young, and better looking, and so forth, and yet we have that fantastic potential there. Union collective bargaining agreements and employers also, both seem to subliminally, perhaps, conspire to create or sustain these negative stereotypes.

When we talk about second and third and fourth careers, how much is really being done for these people who started out never dreaming that there would be another career. They would stick at a certain job. They perhaps didn't really like it and therefore, would look forward to getting away from it all, but now times have changed so much in the last 50 years.

That potential is there, but I don't think there is much in society that I see that attempts to draw it out. You know, a soul can always be saved at any age and can inspire people to do things. Is much happening there?

Ms. **McLaughlin**. I think I might mention a couple of things. One, I think more and more is happening, again because of reality. In the JTPA program, and in the Worker Adjustment Program that has been successful, particularly during this painful restructuring, the displaced worker, the older woman—frequently, who goes into the workplace either for the first time or after many years—in those kinds of programs that Bob specifically oversees, I think we have answered exactly your point: drawing people into them.

I visited—a point I wanted to make—a JTPA center in New Jersey a couple of weeks ago and talked with some people at computers. Computer skills are in very high demand in that area. One man told me: "boy, this is hard, but that's the way the world is and I'm going to learn it."

I think that is the attitude that is out there. We have partnership, in this case, private sector understanding what skills are needed in this particular northern New Jersey community, that there are jobs available; then these people saying, "Gee, I feel good about myself because I am in this program." But it takes that dynamic, I think, to be developed, that you are talking about.

The more that we experience the success of JTPA, the PIC, et cetera, knowing that people can go into jobs that are real jobs and lasting jobs in the real world, if you will, not make-work jobs, I think then that encourages others to take part.

But I don't pretend that we have all the answers. Bob may want to add to it. Those are just my observations personally.

Mr. **Jones**. I think the answer to your question, the symbol of that was embodied when the Congress and the administration passed the new Worker Adjustment Program in the trade bill which, in effect, really sets forth a very important new statement to the country, that there is a system going to be in place the next few years that assumes that all workers, at one point or another, are going to go through three, four, five transition processes and that we, as a society, better get ourselves in a position for enhancing and ensuring that that takes place.

That is a very big change. I suspect it is much bigger than people recognize at this point. But in the next year, that is going to be unfolded all over the country. Getting people to appreciate it, participate in it, go through the painful process is going to be a difficult one, but it is the first time such a thing has taken place and it is exactly, I think, the heart of what you are talking about.

Mr. **Fawell**. Thank you.

Mr. **Martinez**. Mr. Chairman, at this time, I would like to recognize another member of our committee, Mr. Paul Henry.

Mr. **Henry**. Thank you, Mr. Chairman.

Madam Secretary, I appreciate your excellent testimony and I have had an opportunity to read your statement in full. It is very helpful.

We have had a remarkable period of economic expansion and really all segments of American society have shared in it, clearly not all equally, but all have shared.

So as we look at the problem of employment opportunities for the elderly or even, more specifically, Hispanic elderly, all have participated, but clearly there are variances.

I want to look back, though, to something that took place before this expansion when the economy kind of locked up in 1980 and we had the 1981-82 recession. I am from Michigan and we were probably hit as hard, if not harder, than any other State in the Nation. During that period, it was very common practice, both for major public- and private-sector employers, to promote voluntary early-out programs for elderly workers.

I am wondering if there is any data, using the criteria you have established, which allows us to make any observations as to whether or not these early-out programs have truly served the self-interests of these workers. It is ironic. One can understand why, when the economy is booming, the age of retirement continues to move down, presumably there is a greater ability to save or there is a greater confidence in the future, less anguish about the uncertainties of retirement, and what it may represent.

It is ironic that even during that rather severe recession, particularly in the industrial States, the early retirement figures continued to move down, but were propelled by what you might say was loaded dice which gave some workers once-in-a-lifetime opportunities.

For example, the UAW and the Big Three got together and said, "Well, we're in a different kind of global competition," and they gave substantial incentives for their existing older workers to retire with retirement bonuses if they do it within X number of months after reviewing the package.

Our State government aggressively pursued this avenue with public employees. We passed in the legislature a financial incentive and subsidies package for State teachers pension funds to encourage teachers and educational administrators to take early retirement.

One of the arguments, of course, was, well, this opened doors for the young. The flip side was that sometimes the young—and the generational issue comes in here—would argue, "Well, we're really being discriminated against. What you're doing is retiring highly paid senior workers and then replacing them with cheaper labor."

I don't want to get into that question. You may want to get into that a little bit, but my concern is, as you look at this continuing economic decline, boom or bust, which has to be very unusual, in the use of the early voluntary retirement systems, is there anything, any data that indicates whether or not these early-out programs have served the self interest of the workers?

Have these workers hurt themselves in terms of their Social Security benefits or did they have a substantially high enough wage base in most cases to be fully vested and fully protected? Have there been any studies in terms of those who took the plans and who didn't? In this 6-year period since these plans were used in great number, is there enough of a time frame to suggest that maybe the best interest of working Americans wasn't adequately considered? All sides, quite frankly, public/private, management, labor, joined in in this incentive voluntary retirement/early retirement programs.

What is your initial reaction to this or do we have data?

Ms. McLaughlin. I don't think I can give you a full answer. I would like to respond, if I might, later after we talk about what we have to make available to you.

I would make a general statement, but I would have to substantiate it at another time. Those with pensions plus Social Security have done well. Frequently, they have also gone out and gotten another job anyway, but how you relate that directly to this boom-and-bust cycle and the encouraging of these early retirement programs, I just don't have it.

I don't know if Bob does, but everything we have seen is that these people are not living hand-to-mouth, if you will. That is for those who had those programs.

Now there are others who didn't have as ambitious programs. I would like to look at that and break it down for you. But let me say that that probably won't repeat itself, not the boom or bust, but the demographics that we have been talking about this morning and the slower rate of growth of the labor force. We won't have that quite identical situation and the restructuring that will continue is, I think, going to be somewhat different if only because we are competing now, not just in the United States, obviously, within this global economy, and as technology improves and our businesses need that flexibility to improve, looking at that labor force pool, all prepared, talented, skilled workers, we feel will have a role to play as this economy goes through this new cycle in the many, many years ahead.

So we won't have quite that repeat, but I would be happy to look at those periods you describe with a view, as I understand your question, on those that were encouraged to retire during that boom or bust.

In terms of your point about getting younger workers in to save money, I haven't a clue how corporations make up their minds, but we would be happy to look at that.

Mr. **Roybal**. The gentleman's time has expired.

Mr. **Henry**. Thank you.

Mr. **Roybal**. The Chair recognizes Mr. Grandy.

Mr. **Grandy**. Thank you, Mr. Chairman.

Madam Secretary, as I read your testimony and listened to the questions this morning, we have alluded to, but not really discussed what I think is going to be a major component of reorienting and reeducating the workforce. This is not necessarily under the purview of the Department of Labor, but if we are going to reorient and retrain and reeducate the elderly workforce, we are going to have a system in place, or need a system in place, to do that.

It occurs to me that the Job Training Partnership Act and the Senior Community Service Employment Program are good starts, but they need the facilities in place to conduct those kinds of retraining exercises and I would assume that a good place to start would be our network of community colleges and vocational institutions around this country.

It seems to me that this is going to entail somewhat of a broadened, if not a brand new definition, of vocational education and what we would ultimately call continuing education because you might need to be reeducated many times throughout your life.

So I would assume from that that the Department of Labor and the Department of Education are probably going to be working as partners on this. I would like to get your thoughts on what we can do as members of the Education and Labor Committee who would be working on vocational education in reauthorizing that program next year to provide some kind of a helping hand to our community college or vocational networks to help in facilitating this retraining process, whether it is the retraining of basic skills or the retraining of attitudes.

What thoughts do you have on that?

Ms. **McLaughlin**. I have a couple of thoughts. I have had the pleasure of visiting some community colleges recently and I also know of specific situations where companies in their community have turned to those institutions to help train or retrain; from basic skills—reading, writing, math, et cetera—to specific skill needs. I think that is a real viable role and an increasing one in the years ahead.

Not only does the Labor Department work with the Education Department and should even more so—but also you may be aware that I have established a working relationship that has not been done in the past with the Commerce Department. It struck me that if we had workers educated and Commerce got them jobs, then my role would be a lot easier.

But in seriousness, we have, as three secretaries and now moving that relationship down further into the ranks, looked at not just the older worker, but again, across the board, how do we build a quality workforce in this country so that we are, with the kind of lifestyle and quality of living that we all want, able to compete worldwide.

It seems to me that the committee, and we would be happy to work with you, will go a long way to helping us coordinate resources and complement those resources department-to-department. I think that encouraging the private sector, as the examples

I have seen have been successful in doing, to work with the community colleges, work with vocational institutions, is the only way we are going to meet the demand of the two or three or four career in a lifetime and the continuing demand for training and retraining that will come about again as this workplace becomes much more vibrant and flexible.

So I would look forward to working with you. I don't have a specific, but I think you should know of that coordination, and mutuality of interest of these three departments that I think are key to the workforce.

I would like to ask Bob, who is closer to the Voc Ed programs than I am, to see if he has a comment.

Mr. **Jones**. Just two comments, Mr. Grandy. I would encourage the chairman, you and this committee, to look very, very closely at your opportunities next year with vocational education coming up for reauthorization and JTPA amendments probably coming before this committee. There are, in fact, great opportunities to begin to address some of these issues and institutionally bring these systems together in a way.

There are those who, in fact, would argue that we probably have a substantial amount of resources available to us, but they are not mobilized very well and they are not available in a way that makes sense to these workforce issues that we are addressing.

On the warning side, however, I think it is very important, as we said in the beginning, not to expect that the answer to older worker training programs lies in institutional classroom settings. It may; it may not. It may be for older workers to come back in and to be retrained to come through the systems, we need to look carefully at what works and what will enhance that. We need to be cautious, as we have learned with high school dropouts that putting them back into traditional, normal, long-run classroom settings may not be the most productive way to do business.

It is an area, again, I think the committee and the administration need to look carefully before we overinvest in institutions or systems that may not get us where we are going.

Mr. **Grandy**. I thank you for those comments. My attitude, in terms of retraining would go to a shorter form of retraining and perhaps to enhance skills that might be simply dormant.

I would just say that I am glad to hear both of your remarks. As you know, I represent a State that I believe now has the third largest elderly population per capita in the country and it is, obviously, with being so dependent on agriculture, lives with a boom-and-bust mentality constantly.

However, transportation is always an important function with the elderly and the ability to have the educational crucible closer to them will obviously be directly proportional to their ability to reenter the workforce. For that reason, I hope we can use what in my State is an excellent network of community colleges to provide the retraining. Thank you.

Thank you, Mr. Chairman.

Mr. **Roybal**. I thank the gentleman.

Ms. McLaughlin, before we conclude the questioning period, I would like to ask one question, and I do that because early this year I met with six executives, all members of important companies in the United States, and we discussed in general the matter of discrimination in employment; that is, discrimination against the elderly. This is what they said to me, "It is the younger worker that discriminates, not the company." They said, "The younger worker continues to demand advancement because they believe they are better trained and more of an asset to the company."

In other words, what they were telling me is, "we as a company don't discriminate; that is not our policy, but because of the demand of the younger worker, we are forced to accept earlier retirement". Do you find that to be a fact? Is it something that we find in industry as a whole with the younger worker actually saying, "I'm better trained. I went to a better university than the older worker?" Is that a problem or isn't it a problem?

Ms. McLaughlin. I will give you firsthand experience. In companies in which I have worked, I don't find that the case. I think that there are corporate policies that are discriminatory. I am not going to name companies, but it is clear they are there, such as we have been talking about here today, failure for counseling and retraining and early retirement, just to name two.

More importantly, I think somebody saying that, may have had those experiences. I can't deny the truth of that. But if that is the case, we come back to something that is very basic in the fabric of our society and something that I think we have lost a little bit in recent years and that is the family structure that encourages the respect that I know I grew up with for our elderly parents, grandparents, aunts, uncles, et cetera, and their contribution by virtue of their experience and their role in your life.

I think that is something that I am happy to say is a bipartisan effort, even in this election year, to refocus on those relationships and it is certainly true in many minority families where that support system comes from. I suspect that carries over into corporate life.

So that may be—I may be taking a wide swing there, sir—but I see that as something that is very integral to the success of our young people getting educations, staying in jobs, learning skills and not a case of trying to move older people out of the way.

I just don't know enough about with whom you met or what they are drawing on. But clearly, it is probably a combination.

Mr. Roybal. In this case, I am discussing three cases that came to my attention, three cases—which, in each instance, a man, a World War II veteran, went to work for a company immediately after he was discharged from the service. He became one of the executives and was forced to retire at age 65. Now, we had already passed the law that one could work to age 70.

These former executives complained about it. They complained to me and to this committee. What I got out of the meeting was the attitude, both the attitude of the company, and then what they described as the attitude of the younger workers.

The younger workers, claiming that they are better trained and so forth, that they are more of an asset to the company, put certain demands on the corporation so that policies are changed.

I was wondering again whether or not this was widespread or not. This is something, however, that we as members of this committee are going to look into further.

We also discussed at that particular meeting defined pension plans, and the role that younger workers play in that and what happens in those instances. All of these things are part of the employment picture.

We would like to go into that. I don't know that any determination will be made, but surely a study is in order, and when this committee finally comes up with some recommendations, because this hearing is going to be documented, we would like to get back to you. I hope that even though this committee may take longer than expected, I would still like to get back to you, and to other experts so that you can go over our report and then point out where we are in error, make recommendations to it. In that way, I think, we can serve our Nation in the future much better than we have in the past.

May I thank you, Ms. McLaughlin, and thank you, Mr. Jones, for your attendance this morning. We greatly appreciate it.

Ms. McLAUGHLIN. Thank you, Mr. Chairman. Thank you, Mr. Martinez.

Mr. ROYBAL. The Chair now recognizes panel number two. Dr. Sara E. Rix; Dr. Seymour Wolfbein; and Josephine Barbano.

Dr. Rix, we are going to ask you to lead the discussion. Will you please proceed in any manner in which you desire.

STATEMENT OF SARA E. RIX, DIRECTOR OF RESEARCH, WOMEN'S RESEARCH AND EDUCATION INSTITUTE, WASHINGTON, DC

Ms. RIX. Thank you. My name is Sara Rix. I am Director of Research for the Women's Research and Education Institute and I have long had an interest in the human resource implications of an aging society. I wish to take a moment to thank members of the Select Committee on Aging and the Subcommittee on Employment Opportunities for providing me with an opportunity to speculate on those implications.

As members of both committees know well, one of the most significant work-related developments of the post-war era has been the almost wholesale labor force withdrawal of older men. It is not just the oldest men, those presumably eligible for full Social Security benefits, who are leaving the labor force, it is men in their early 60s and even mid- to late-50s.

The significance of this trend has been widely debated. On the one hand, concern has been expressed over the financial security of older nonworking persons. Concern has also been noted over the deterioration of the ratio of workers to older nonworkers projected as the baby-boomers step over the retirement threshold. Though one projects far into the future only with trepidation, it seems certain that a reversal of current retirement trends will be necessary if present levels of retirement benefits are to be sustained.

On the other hand, the expansion of retirement income programs in the United States has been welcomed as a social good that enables older workers, particularly those in poor health, to leave arduous, stressful or just plain boring jobs, to pursue other interests, and to enjoy leisure, while at the same time opening up job opportunities for younger workers. Public policy has played a key role in promoting this good and in protecting present and future retirees.

Improvements in retirement income packages have meant that more workers could afford to retire at ever-earlier ages, which in turn has lessened pressures on employers and the government for programs and policies that might foster delayed retirement, expand older worker employment programs and promote job security.

U.S. retirement trends are apparently in harmony with the goals and objectives of business and industry. As the Employee Benefit Research Institute has noted, "common sense dictates that the retirement policies of most employers are consistent with their overall productivity requirements and desires of their workers." When 27 million new jobs were created between 1972 and 1986, employers did not turn to older workers to fill those jobs. Rather, women—most of them between the ages of 25 and 44—accounting for some 60 percent of the labor force growth during this period. The number of older—65-plus—labor force participants remained virtually unchanged at about 3 million, while the number of older nonparticipants grew by over 8 million.

Over the next 12 years, the labor force will age, or more accurately, become middle-aged, and by the year 2000, nearly half of all America's labor force will be between the ages of 35 and 54. If past trends are any guide to the future, the labor force participation rate of men between the ages of 55 and 64, as well as aged 65 and older, will continue to drop sharply in the case of the oldest workers. Women between the ages of 55 and 64, however, should continue to show an increase, admittedly slight, in their attachment to the labor force, while the participation rate of the oldest women, never very high, will drop below its current very low level.

It is important to keep in mind that these projections are based on extrapolations of past trends. Alternative assumptions could paint a very different picture. Nevertheless, prevailing work and retirement policies have created expectations and behaviors that will be very difficult to alter.

Yet many retirees, as has been noted earlier this morning, would apparently prefer an alternative to full-time retirement. There is no dearth of research highlighting older worker interest in part-time employment, and the fact that so few elderly people actually work part-time may have something to do with the fact that most part-time employment is low-level work, low in status, poorly paying and wanting in many fringe benefits.

If older workers don't have to accept such employment out of economic necessity, then their only alternative may be full-time retirement. Older workers might be induced to remain in or return to the workforce in greater numbers if more and better part-time work were available. Such work might include flexible work schedules or work- and job-sharing.

The popularity of part-time work could increase if Congress were to require employers to provide part-time workers with the same, but prorated, compensation packages offered full-time workers. Were this to happen, however, employers' enthusiasm for part-time work might wane, thus limiting the prospects for expansion of part-time employment.

When employers confront labor shortages, they must offer something "extra" to attract workers. Examples of employers who have reached out to older workers with innovative employment offers can certainly be cited. But barring a labor shortage, older workers must possess attributes that compare favorably to the real or perceived attributes of younger workers.

The literature is replete with studies documenting the virtues of older workers and acknowledgment by employers of those virtues: job stability, low accident rates, good attendance records. Human resource executives surveyed recently by the American Association of Retired Persons were high in their praise of older workers' punctuality, loyalty, practical knowledge, experience and performance records. However, those same respondents were far less positive when it came to assessments of older worker flexibility, ability to learn new skills and comfort with new technology—characteristics that might be more important than loyalty and experience in a workforce undergoing rapid technological change.

These findings are consistent with those in the study cited earlier by the Secretary of Labor. To the extent that employers' attitudes about older worker trainability color decisions about whom to train, the older worker may be caught in a vicious cycle where age is accompanied by the risk of obsolescence and the lack of opportunity to overcome it.

For employers, the value of any older worker lies in his or her productivity. It is the bottom line. Available research on age-related productivity tends to reveal no superiority in any age group, but it is less clear just how productivity and age interact in the high-tech jobs of the present, to say nothing of the future.

More extensive, rigorous, controlled and relevant research on aging and technological adaptability is clearly in order. Should such research reveal no significant age-related differences in productivity, it would be useful in undermining negative stereotypes and impressions about older workers.

Should studies find significant differences that work to the disadvantage of one age group or another, jobs might be modified; disadvantaged workers might be steered to more appropriate work or training programs might be considered. Training, as was expressed repeatedly this morning, is a key to older worker employability.

Currently, Federal commitment to older worker training rests primarily with the Senior Service Community Employment Program and the Job Training Partnership Act. Both programs are restricted mainly to economically disadvantaged persons, and neither begins to meet the needs of the disadvantaged older population.

Older disadvantaged workers are, for example, underrepresented in JTPA Title II(a) programs and in Title III's dislocated worker programs. Moreover, there is a legitimate question as to just how well older participants are actually served. Congress might be advised to take a closer look at older workers and the JTPA with the goal of improving the services offered those workers if necessary.

Ignoring the thorny problem of budgetary constraints, Congress could consider appropriating more funds to expand one or both of the programs to serve more disadvantaged older workers. Almost any expansion would help some workers; however, from a manpower point of view and from the point of view of the economy, older worker employment policy must encompass more than just the disadvantaged older worker.

The majority of workers moving inexorably into their older and vulnerable years are not, fortunately, economically disadvantaged. With luck and hard work, they never will be. Thus, unless the eligibility criteria are changed, the large majority of aging workers will never have a chance to benefit from JTPA training. Yet, to remain competitive and attractive to employers, training—especially for the desirable jobs of the future—will be increasingly critical.

On the face of it, employment projections would seem to bode well for older workers, at least through the end of the century. Perhaps as many as 21 million new jobs, most of which will be in service industries and many of them in service occupations, will be created between now and the year 2000. But it would be shortsighted to assume that age alone will qualify workers for those occupations. Many of the better jobs will require highly educated workers with continuously updated skills, and as things now stand, the middle-aged and older worker at the turn of the century will typically have completed his or her formal schooling anywhere from 15 to 40 or more years previously. There is no reason to assume that employers will not continue to find the most recently trained applicant the most desirable one.

Moreover, anyone interested in older worker employment must look beyond broad occupational categories to identify the specific jobs whose numbers are going to increase the most. While older workers might not be opposed to remaining in the workforce as general managers or upper-level executives, much of the job growth will apparently consist of those jobs unlikely to stem the tide of early retirement: retail sales people, waiters and waitresses, registered nurses, janitors and cleaners, cashiers, truck drivers, general office clerks, food counter and related workers, nursing aides and the like. A shortage of younger workers may occur, but will older workers want the jobs that younger workers formerly would have assumed?

There are two problems with regard to older workers. One involved the present; the present older worker problem seems restricted to certain groups for whom work is economically necessary or highly desirable: reentry women who haven't worked long enough to accumulate retirement benefits; low-wage, low-skilled—often minority—workers who have never been covered by private pensions or other benefit programs; or long-term older unemployed workers who opt for Social Security at the youngest age out of economic necessity.

A solution would be to target programs to those subgroups by expanding employment programs for disadvantaged groups, encouraging or requiring more part-time work, flexible work, and/or job-sharing arrangements, and providing better assistance to post-retirement labor force reentrants.

Answers are not so clearcut with regard to the second—or future—problem because policymakers are hampered by the fact that no one knows what the future will look like. Provide workers with new skills, one might ask. What skills? Twelve years ago, a secretary who returned to work boned up on her—or his—typing skills; perhaps she had to learn to use an electric typewriter. Who would have predicted that the minimum job requirement for a secretary in 1988 would be facility with a word processor?

In looking to the future, both public and private policymakers need to grapple with two key questions: one, what kind of workforce will keep the Nation economically competitive and, two, at what level can a retired population be sustained without overburdening its tax-paying supporters? The answers to those questions will, in large measure, shape the direction of older worker employment policy in the United States.

At the very least, economic and demographic trends would seem to point to the need for discouraging ever-earlier retirement. Labor shortages may or may not develop in the future, but the country may still need to keep older workers at work longer because it cannot afford to support them adequately in retirement. Congress could play a significant role in lengthening worklife by increasing the penalties for early retirement under Social Security, by further raising the age of eligibility for full Social Security benefits and/or by lowering the benefit wage-replacement rate under Social Security.

Those are options designed neither to please workers nor their legislators. Furthermore, efforts to force delayed retirement would not necessarily provide employers with the motivated and trained workers they are likely to need. A better approach might be to create a potential workforce with the attributes that make workers attractive to employers.

We may not know exactly what skills will be needed in the year 2010 or 2020, but we do know that a well-educated, adaptable, flexible workforce will better prepare us to meet future manpower needs and give us a leg up on the competition.

This would argue, it would seem, in favor of lifelong learning and education programs that define education in the broadest sense: not just training for specific tasks, but continuous exposure to new ideas, new thinking, new ways of doing things. It would involve a shift away from a system in which formal education ends relatively early in life—augmented, perhaps occasionally, by participation in a specific training program—to a system that acknowledges the need and ability of workers to acquire new knowledge in useful problem-solving techniques over a lifetime.

Such continuous exposure to learning would ensure that workers were better prepared for enrolling in specific training programs. It should prove to workers themselves—many of whom do have doubts about whether they can be trained or retrained—and to the executives in the AARP survey that older workers can learn, that they are flexible, that they can adapt to new technologies.

There are many ways to invest in lifelong training programs: tax credits to employers who develop educational and training programs for older workers might be the needed incentive; tax deductions for workers themselves who attempt to develop new skills or return to school might encourage workers to explore educational options. Required training sabbaticals or removal of the "disadvantaged" criterion in the Job Training Partnership Act could play a part. Major investments could be made, as suggested earlier, in adult education in community college programs or in high schools around the country. Grants could be made to State governments to provide educational programs for the future workforce.

Costly? Yes. But an aging retired population will not be cheap, either.

Continuous education might have another advantage in that it might enable workers to move more readily into different jobs. Most workers, outside of Washington anyway, have lousy jobs. Another 5 to 10 years as a bus driver, a mechanic, or a daycare worker placating a crying child might not be what the public orders, but a shift to something new in midlife could foster a voluntary longer work life.

If it turns out that older workers aren't needed after 2010, 2020 or so and we can afford to let them go, then handsome retirement inducements could be offered and would probably be accepted.

As Congress knows, as we all know, it is much more palatable to give than to take away, and an abrupt increase in retirement age in the year 2010 or added early retirement penalties would be taking something important away.

I thank you.

[The prepared statement of Ms. Rix follows:]

PREPARED STATEMENT OF SARA E. RIX, DIRECTOR OF RESEARCH, WOMEN'S RESEARCH AND EDUCATION INSTITUTE, WASHINGTON, DC

Members of the House Select Committee on Aging and the Subcommittee on Employment Opportunities of the House Education and Labor Committee are well aware that one of the most significant work-related developments of the post-war era has been the almost wholesale labor force withdrawal of older men. And, as labor force data make abundantly clear, withdrawal has not been restricted to the oldest of workers who, presumably, are eligible for full social security benefits. Men in their early 60s and even mid- to late-50s are opting out of the labor force in increasing numbers.

The significance of this trend has been widely debated, both here on Capitol Hill and in public forums around the country, as well as in countless research reports and scholarly publications. On the one hand, concern has been expressed over the financial security of older nonworking persons, particularly during periods of high inflation or when long-term medical or nursing care becomes necessary. The deterioration of the ratio of workers to older nonworkers projected as the baby boomers step over the retirement threshold has many analysts worried about the ability of retirement income programs to meet future demands. Indeed, Congress took aim at the growing aged support burden in 1983 when it legislated a

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[*] Testimony before the U.S. House of Representatives Select Committee on Aging and the Subcommittee on Employment Opportunities of the House Education and Labor Committee, September 14, 1988.

gradual increase in the age of eligibility for full social security benefits beginning in the year 2000. Congress also threw in a delayed retirement sweetener in the form of an increase in the social security benefit credit payable to workers who postpone retirement between the ages of 65 and 69.

On the other hand, the expansion of retirement-income programs has been welcomed as a social good that enables older workers, some in poor health, to leave arduous, stressful, or just plain boring jobs and to pursue other interests or enjoy leisure time, while providing employment opportunities for some younger workers. Public policy--beginning with the Social Security Act itself and continuing through its many improvements and on to the provision of tax incentives for the establishment of pension plans, the Employee Retirement Income Security Act, the Retirement Equity Act, and the Tax Reform Act of 1986--has played a key role in promoting this good and protecting present and future retirees. Congress will undoubtedly ponder the wisdom of more legislation, such as earnings sharing under social security, additional vesting reductions, and private pension portability, that might further enhance the economic well-being of retired persons.

To some extent, the understandable emphasis on the income needs of the retired aged has been at the expense of policies and programs for older workers, although Congress has moved to protect older workers with the enactment of the Age Discrimination in Employment Act and its amendments. Improvements in retirement income packages have meant that more workers could afford to retire at ever earlier ages, which, in turn, has lessened pressure on employers and the government for programs and policies that might foster delayed retirement, expand older worker employment and training opportunities, and promote job security. If past trends are any guide to the future, the labor force participation rate of men ages 55-64 and 65 and older will continue to drop, sharply in the case of the latter group. Women between the ages of 55 and 64, however, should continue to show an increase, albeit slight, in their attachment to the labor force, while the participation rate for women 65 and over is expected to fall below its current very low level.[1]

Even if older workers continue to retire early, the labor force over the next 12 years will age, or more accurately, become middle-aged (Table 1). By the year 2000, nearly half of America's labor force will be between the ages of 35 and 54.

U.S. retirement trends are apparently in harmony with the goals and objectives of business and industry. As the Employee Benefit Research Institute has so cogently noted, "...common sense dictates that the retirement policies of most employers are consistent with their overall productivity requirements and desires of their workers."[2] An early 1980s survey by the Conference Board found that only four percent of more than 350 companies offered incentives to discourage pre-65 retirement.[3] When 27 million new jobs were added to the economy between 1972 and 1986, employers did not turn to older workers to fill those jobs. Rather, women--most of them between the ages of 25 and 44--accounted for some 60 percent of the labor force growth during this period, while the number of older (65+) labor force participants remained relatively stable at approximately three million, and the number of older nonparticipants grew by over eight million.

Exceptions to the conclusion that early retirement, at least over the short run, is on balance a benefit to employers and employees alike can and should be noted. These include reentry women who have not worked long enough to accumulate adequate retirement benefits, unemployed older workers who begin collecting social security benefits at age 62 because they have exhausted other sources of income, and/or low-skill, low-wage workers, many of them minorities, in jobs that lack much of anything in the way of fringe benefits. On the whole, however, workers retire because they want to retire and because it has become financially feasible for them to do so.

Nonetheless, many retirees would apparently prefer an alternative to full-time retirement[4]. The fact that so few older persons work may be tied to the availability of meaningful part-time employment, for part-time work seems a clear preference for workers in their mid-60s and above (Table 2). Although women are more likely to be voluntary part-time workers than men, an age-associated jump in such employment is especially pronounced among men: from three percent in the case of 45-64-year-old male workers to 43 percent for workers 65 and above.

Older workers are so overwhelmingly voluntary part-time workers that it brings to mind a question about the desires of full-time workers first raised by the noted gerontologist, Harold L. Sheppard:[5] just how many of those full-time older workers are actually full-time by choice?

Since 1975, the number of part-time workers has increased; however, the ratio of voluntary part-time to full-time employment has undergone little change, and the supply of part-time work would not seem sufficient to meet the demand. Older workers in search of part-time work face competition from other potential part-time workers, such as mothers of small children, for whom such work might also be preferred. In addition, much part-time work consists of low-level, low-status work, with few benefits--work that pays poorly, in part because it is found more frequently in low-wage industries and occupations and in part because the workers themselves may earn less per hour than equivalent full-time workers. Older workers not forced to accept part-time employment out of economic necessity may prefer full-time retirement to part-time work of this type.

Older workers might be induced to remain in or return to the workforce in greater numbers if more and better part-time work were available. Middle-aged and older women would likely find such employment especially attractive, particularly as the responsibility of caring for aged relatives is added to their traditional caregiving roles. The financial advantages of part-time employment--as opposed to no work--are obvious, although it is important not to overlook the impact that less than full-time work might have on pension benefits based on some average of final years of salary.

The popularity of part-time work might increase if Congress were to require employers to provide part-time workers with the same, but prorated, compensation packages offered full-time workers. Were this to happen, however, employers' enthusiasm for part-time work could wane, thus limiting the prospects for the expansion of part-time employment.

When employers confront labor shortages, they must offer something "extra" to attract workers. In the above-mentioned Conference Board survey, the few employers who sought to discourage early retirement did so in the case of workers whose skills were in short supply and whose performance was high.[6] Employers in the fast food industry--faced with a decline in the number of young workers--have reached out to older workers with offers of training and flexible work schedules, coupled with competitive salaries and a range of fringe benefits. A number of establishments, particularly in the financial industry, offer temporary or part-time work to their own retirees to meet seasonal or other peak labor demands. To date, however, the number of workers involved in such programs is relatively small.

Barring a labor shortage, older workers must possess attributes that compare favorably to the real or perceived attributes of other workers. The literature is replete with studies documenting both the virtues of older workers and acknowledgment by employers of those virtues, e.g., job stability, low accident rates, good attendance records. Human resource executives surveyed recently by the American Association of Retired Persons (AARP) were high in their praise of older workers' punctuality, loyalty, practical knowledge, experience, and performance record.[7] However, these same respondents were far less positive when it came to assessments of older worker flexibility, ability to learn new skills, and comfort with the new technology--characteristics that might be more important than loyalty and experience in a workforce undergoing rapid technological change. This finding is especially troubling given that so many executives stressed the importance of worker flexibility and learning abilities. It would indicate employer skepticism about the adequacy of return on investment in training and retraining older workers. To the extent that such attitudes about older workers color training decisions--and participation in training drops off sharply with age--the older worker may be caught in a vicious cycle where age is accompanied by the risk of obsolescence and the lack of opportunity to overcome it.

Employers are not alone in questioning the wisdom of training programs for older workers. Fearing failure or concerned about their ability to learn new skills, older workers themselves may be reluctant to ask for or take advantage of training programs,[8] despite the fact that ability to learn continues well into old age. Unwillingness to adjust to a changing workforce may be a factor in the early retirement decision.[9]

Not surprisingly, the respondents in the AARP executive survey were by no means unanimous in their enthusiasm for additional federal intervention on behalf of older workers. Nearly half felt that "the government has gone too far" in legislating older worker policy, and a mere 18 percent were of the opinion that "tighter federal regulation would encourage utilization of older workers." Such attitudes are, of course, no reason for Congress to shy away from legislation, but they may be a measure of where opposition to additional federal legislation would originate. The executives tended to believe that existing legislation sufficed, and it would seem that a legislative tool does exist to ensure equitable access to training on the part of older workers. Specifically, the Age Discrimination in Employment Act (ADEA) says, among its other provisions, that it shall be unlawful for employers

> (1) to fail or refuse to hire or discharge any individual or otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's age; [and]
>
> (2) to limit, segregate, or classify his employees in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of...age.

These provisions of the ADEA would presumably apply to employee participation in training programs, as well as to hiring, promotion, and salary issues. If training is available in the workforce, it should be offered regardless of age of the potential trainee, and efforts could be made to ensure better enforcement of the ADEA. Whether employers consciously or unconsciously dissuade older workers from undergoing employer-supported training could well be the subject of Congressionally mandated research or oversight hearings. The objective of any study would, of course, be designed to identify the pervasiveness of discrimination--if it exists--with an eye toward eliminating it.

The value of any worker lies in his or her productivity, and for the employer, productivity is the bottom-line issue. Available research on age-related productivity tends to reveal no superiority of any age group, but it is less clear just how productivity and age interact in the high tech jobs of the present, to say nothing of the future. Do older workers in such jobs compare as favorably to younger workers as they apparently did when they were selling shoes in one of the classic productivity studies? How relevant are age-related compensations and adjustments (e.g., judgment over speed) in these jobs? Are there age-related differences in, for example, eye strain among VDT users? How do older workers respond to the constant monitoring of output made possible by some of the new technologies? More extensive, rigorous, controlled, and relevant research is clearly in order. Should such research reveal no significant age-related differences in productivity in today's jobs, that finding that could be useful in undermining negative stereotypes and impressions about older workers and new technologies. Should studies find significant differences that work to the disadvantage of one age group or another, jobs might be modified, disadvantaged workers might be steered to more appropriate work, or training programs might be considered.

Typically, adult worker training has been provided as needed by the employer. Without intervention on the part of the federal government, however, there is no guarantee that the trained workers of the future will include older workers to any significant extent. Currently, federal commitment to older worker training, which rests primarily with the Senior Community Service Employment Program (SCSEP) and the Job Training Partnership Act (JTPA), is primarily restricted to economically disadvantaged persons. The former is a relatively small program with funding for some 60,000 job slots each year.[10] Employment of low-income SCSEP participants consists primarily of minimum-wage public sector work.

In terms of potential for moving economically disadvantaged older workers into the private sector, the JTPA is by far the more important of the two programs, but older workers do not appear to be equitably served in most JTPA programs. They are, for example, underrepresented in Title II-A programs[11] and in Title III's dislocated worker programs.[12]. Moreover, a legitimate question is just how well older participants are actually served.[13] Older worker program administrators may themselves have reservations about the trainability of older workers.[14] Again, Congress might be advised to take a closer look at older workers and the JTPA, with the goal of improving the services offered workers in that age group, if necessary. What efforts are being made to attract older workers to JTPA programs? Do older workers even want JTPA training? What exactly are participants being trained for? To what extent are they being trained for employment in "growth industries and jobs reflecting the use of new technological skills," as the law specified? What types of training programs work best? Once trained, what types of jobs are workers getting? How responsive are employers to older JTPA trainees? How equitably are women being served? What is the representation of older minorities? Are programs meeting the unique needs, e.g, with respect to language barriers, of older minorities? (Some of these questions might be answered with data regularly collected by the Department of Labor.)

Few observers would argue that either SCSEP or JTPA meets the needs of all disadvantaged workers and potential workers. Ignoring the thorny problem of budgetary constraints, Congress could consider appropriating more funds to expand one or both programs to serve even more disadvantaged workers or it could target certain vulnerable groups of older people who want and need to work (e.g., displaced homemakers). Almost any expansion would help some workers. However, from a manpower point of view--and from the point of view of the economy--older worker employment policy must encompass more than just the disadvantaged aging worker.

The majority of workers moving inexorably to their older and vulnerable years are not, fortunately, economically disadvantaged; with luck and hard work, they never will be. Thus, unless the eligibility criteria are changed, the large majority of aging workers will never have a chance to benefit from JTPA training. Yet to remain competitive and attractive to employers, training--which "contributes to productivity, job satisfaction, and organizational revitalization"[15]--will be increasingly critical. Tax credits to employers who train older workers in new technologies might be an incentive for employers, and tax deductions for workers who attempt to develop new skills might encourage workers themselves to explore training options.

On the face of it, employment projections would seem to bode well for older workers, at least through the end of the century. Perhaps as many as 21 million new jobs--most of which will be in service industries and many of them in service occupations--will be created between now and the year 2000. Also among the most rapidly growing occupations will be executive, administrative, and managerial work; professional employment; and technical and related jobs,[16] occupations that, along with the services but excluding technical work, employ a substantial percentage of the workers who will be middle-aged or "old" in the year 2000 (Table 3). But it would be shortsighted to assume age alone will qualify workers for those occupations. Many of those jobs will require highly educated workers with continuously updated skills, and as things now stand, the aging worker at the turn of the century will typically have completed his or her formal schooling anywhere from 15 to 40 or more years previously. There is no reason to assume that employers will not continue to find the most recently trained applicant the most desirable one.

Moreover, anyone interested in older worker employment must look beyond broad occupational categories to identify the specific jobs whose numbers are going to increase the most (Table 4). While older workers might not be opposed to remaining in the workforce as a general manager or top executive, much of the job growth would seem to consist of jobs unlikely to stem the early retirement tide: retail salespeople, waiters and waitresses, registered nurses, janitors and cleaners, general managers and top executives (the exception), cashiers, truck drivers, general office clerks, food counter and related workers, and nursing aides and the like.

As we move toward the end of the century and beyond, it becomes increasingly critical to identify what we as a nation want to do about older workers. Whether early labor force withdrawal continues will depend in large part on public and private employment policies that can both influence and be influenced by demographic projections. At the very least, economic and demographic trends would seem to point to a need for discouraging ever earlier retirement. Congress could play a significant role in lengthening worklife by increasing the penalties for early retirement under social security, by further raising the age of eligibility for full social security benefits, and/or by lowering benefit wage replacement rates...options designed to please neither workers nor legislators. Furthermore, efforts to force delayed retirement would not necessarily provide employers with the motivated and trained workers they are likely to need; employers might counter with increasingly handsome retirement packages, until the cost of doing so became prohibitive.

In looking to the future, both public and private policymakers need to grapple with two key questions, namely, what kind of workforce will keep the nation economically competitive, and at what level can a retired population be sustained without overburdening its taxpaying supporters? The answers to those questions will, to a large measure, shape the direction of older worker employment policy in the United States.

1. Howard N Fullerton, Jr., "Labor Force Projections: 1986 to 2000," Monthly Labor Review 110 (September 1987): 19-29.

2. Employee Benefit Research Institute, EBRI Issue Brief 57 (August 1986): 9.

3. Shirley H. Rhine, Managing Older Workers: Company Policies and Attitudes (New York: The Conference Board, 1985): 1.

4. Lou Harris and Associates, American Attitudes Toward Pensions and Retirement, Hearing Before the Select Committee on Aging, House of Representatives, 96th Congress, February 28, 1979 (Washington, D.C.: U.S. Government Printing Office, 1979); National Council on the Aging (NCOA), Aging in the Eighties: America in Transition (Washington, D.C.: NCOA, 1981); Hilda Kahne, Reconceiving Part-Time Work (Totowa, New Jersey: Rowman & Allanheld, 1985).

5. Sheppard has questioned the validity of the assumption underlying the questions of full-time workers in most employment surveys, namely that workers work full-time by choice. Unlike part-time workers, such workers are generally not queried as to their possible preference for an alternative arrangement.

6. Rhine, op cit.

7. American Association of Retired Persons (AARP), Workers Over 50: Old Myths, New Realities (Washington, D.C.: AARP, undated).

8. See Harvey L. Sterns, "Training and Retraining Adult and Older Adult Workers," in Age, Health, and Employment, edited by James E. Birren, Pauline K. Robinson, and Judy E. Livingston (Englewood Cliffs, New Jersey: Prentice-Hall, 1986): 93-113.

9. For example, over 60 percent of the respondents in an AARP older worker survey rated the following item as important in encouraging early retirement: "Older workers do not want to relearn changing jobs" (American Association of Retired Persons, Work and Retirement: Employees Over 40 and Their Views [Washington, D.C.: AARP, 1986]: 19).

10. Due to turnover, the number of elderly served may exceed this figure by a considerable amount.

11. Steven H. Sandell and Kalman Rupp, Who Is Served in JTPA Programs: Patterns of Participation and Intergroup Equity? (Washington, D.C.: National Commission for Employment Policy, 1988.)

12. U.S. General Accounting Office (GAO), Dislocated Workers: Local Programs and Outcomes Under the Job Training Partnership Act (Washington, D.C.: GAO, March 1987).

13. See U.S. GAO, op cit.; JTPA summary statistics for any program year, and Fernando L. Alegria and Jose R. Figueroa, Study of the JTPA Eight Percent Education Coordination and Grants Set-Aside and the Three Percent Set-Aside Training Program for Older Individuals (Washington D.C.: National Governors' Association, 1986) for training participation figures.

14. Centaur Associates, Inc. *Report on the 502(e) Experimental Projects Funded Under Tile V of the Older Americans Act* (Washington, D.C.: Centaur Associates, 1986); U.S. GAO, op cit.

15. Sterns, op cit.: 99.

16. G. T. Silvestri and J. M. Lukasiewicz, "A Look at Occupational Employment Trends to the Year 2000," *Monthly Labor Review* 110 (September 1987): 46-63.

Table 1: Age Distribution of the Labor Force, Actual 1950, 1970, and 1987 and Projected 1995 and 2000 (in percentages)

Age	Year				
	1950	1970	1987	1995	2000
16-19	6.8	8.8	6.7	5.9	6.4
20-24	11.7	12.8	12.5	10.2	9.9
25-34	23.5	20.6	29.4	26.1	22.8
35-44	22.4	19.8	23.7	27.8	27.8
45-54	18.4	20.5	15.2	19.2	22.0
55-64	12.3	13.6	9.9	8.6	9.3
65+	4.9	3.9	2.6	2.1	1.7
Total percent	100.0	100.0	100.0	100.0	100.0

Source: Computed from figures in U.S. Bureau of Labor Statistics (BLS), Handbook of Labor Statistics, 1985, Table 4; Employment and Earnings, January 1988, Table 3; unpublished BLS statistics.

Table 2: Full-and Part-Time Work Status of Employed Persons, by Sex and Age, 1987 (in percentages)

Sex and Age	Work Status			
	Full-time	Part-time for Economic Reasons	Voluntary Part-time	Total Percent
Total work force				
16-19	34.8	11.0	54.2	100.0
20-24	77.2	7.3	15.5	100.0
25-44	87.2	4.2	8.5	100.0
45-64	85.9	4.0	10.1	100.0
65+	47.6	4.5	47.9	100.0
Men				
16-19	38.0	10.4	51.6	100.0
20-24	81.0	6.8	12.2	100.0
25-44	94.5	3.4	2.1	100.0
45-64	93.7	2.9	3.4	100.0
65+	53.2	3.9	42.9	100.0
Women				
16-19	31.7	11.4	56.8	100.0
20-24	73.1	7.8	19.0	100.0
25-44	78.2	5.3	16.5	100.0
45-64	75.9	5.4	18.7	100.0
65+	39.8	5.4	54.8	100.0

Source: Computed from figures in U.S. Bureau of Labor Statistics, Employment and Earnings, January 1988, Table 33.

Table 3: Occupational Distribution of Employed Men and Women, Age 35 and Older, 1987 (in percentages)

Sex and Occupation	Age			
	34-44	45-54	55-64	65+
Men				
Executive, administrative, & managerial	17.1	17.8	17.2	14.6
Professional specialty	14.8	13.4	12.6	12.8
Technicians & related support	2.8	2.4	1.8	0.8
Sales	11.3	11.3	11.8	15.9
Administrative support, including clerical	5.4	4.9	5.4	5.7
Service	7.0	6.9	8.5	12.0
Precision, production, craft, & repair	20.3	21.1	19.1	11.4
Machine operators, assemblers, & inspectors	7.2	7.1	6.7	3.0
Transportation, material moving	7.1	7.8	7.2	5.1
Handlers, equipment cleaners, helpers, laborers	3.7	3.4	3.6	3.3
Farm operators & managers	1.4	2.1	3.8	10.3
Farm workers & related, forestry, fishing	1.8	1.9	2.2	5.1
Total percent	100.0	100.0	100.0	100.0
Total number (in thousands)	14,898	9,750	6,682	1,850

Table 3 (continued)

Sex and Occupation	Age			
	34-44	45-54	55-64	65+
Women				
Executive, administrative, & managerial	11.9	11.3	9.8	8.2
Professional specialty	18.9	15.5	11.7	10.2
Technicians & related support	3.6	2.5	1.7	1.1
Sales	10.2	10.4	12.6	14.9
Administrative support, including clerical	28.2	29.5	29.6	24.1
Service	15.0	16.4	19.6	29.1
Precision, production, craft, & repair	2.6	2.6	2.5	2.7
Machine operators, assemblers, & inspectors	6.4	8.0	8.5	4.7
Transportation, material moving	0.9	0.9	0.8	0.7
Handlers, equipment cleaners, helpers, laborers	1.3	1.5	1.3	1.4
Farm operators & managers	0.3	0.7	0.9	1.9
Farm workers & related, forestry, fishing	0.6	0.6	0.9	0.9
Total percent	100.0	100.0	100.0	100.0
Total number (in thousands)	12,281	7,737	4,783	1,191

Source: U.S. Bureau of Labor Statistics, unpublished data.

Table 4: Occupations With the Greatest Numerical Increase, 1986-2000
(moderate alternative; numbers in thousands)

Occupation	Employment		Change in Employment 1986-2000	
	1986	Projected, 2000	Number	Percent
Salespersons, retail	3,579	4,780	1,201	33.5
Waiters and waitresses	1,702	2,454	752	44.2
Registered nurses	1,406	2,018	612	43.6
Janitors and cleaners	2,676	3,280	604	22.6
General managers and top executives	2,383	2,965	582	24.4
Cashiers	2,165	2,740	575	26.5
Truck drivers	2,211	2,736	525	23.8
General office clerks	2,361	2,824	462	19.6
Food counter, fountain, and related workers	1,500	1,949	449	29.9
Nursing aides, orderlies, and attendants	1,224	1,658	433	35.4
Secretaries	3,234	3,658	424	13.1
Guards	794	1,177	383	48.3
Accountants and auditors	945	1,322	376	39.8
Computer programmers	479	813	335	69.9
Food preparation workers	949	1,273	324	34.2
Teachers, kindergarten and elementary	1,527	1,826	299	19.6
Receptionists and information clerks	682	964	282	41.4
Computer systems analysts, electronic data processing	331	582	251	75.6
Cooks, restaurant	520	759	240	46.2
Licensed practical nurses	631	869	238	37.7

Source: Silvestri and Lukasiewicz, "A Look at Occupational Trends to the Year 2000," 1987, p. 59.

Mr. **Roybal**. The Chair now recognizes Dr. Wolfbein.

STATEMENT OF SEYMOUR L. WOLFBEIN, FORMER DEPUTY ASSISTANT SECRETARY, DEPARTMENT OF LABOR

Mr. **Wolfbein**. Thank you very much, Mr. Chairman.

I do have a statement and some materials that I would like to put in the record.

Mr. **Roybal**. Without objection, it will be the order. We would like to ask you to summarize.

Mr. **Wolfbein**. Thank you very much. I just want to take a few moments, Mr. Chairman. The reasons I can do this is that I have to catch a plane to Little Rock—I understand one of your committee members is exactly from that place—interestingly enough, to examine some older worker programs. Also, I can take advantage of the excellent presentations that have been made that came before me.

In receiving a letter from you suggesting some of the items I might talk about—this is point number one and I just have a few—you suggested that maybe you ought to take a long-range look at what we have accomplished so far and where should we go ahead from here?

I would like to suggest to you and the committee, after looking at the congressional record for more than 40 years, that what you folks have done, I think, is fabulous. On the one hand, you have passed legislation which enables people to, indeed, exit from the labor force if they wish and they have to and they can, you know, be able to retire at the age of 62 with reduced benefits, KEOUGHs and IRAs, portability of pensions—you don't need me to give you a complete list.

On the other hand, you have also passed legislation which tries to help the person stay in the labor force. The Age Discrimination in Employment Act, which starts with age 40, and many, many other pieces of legislation, like removing the cap on compulsory retirement and all the rest.

I would like to say to you, as an older man, looking over the record, that what you have done is increased the freedom of choice that people have in moving in and out of the labor force. Any recommendations we make ought to continue on that path.

I am not trying to be Pollyannish; there are still lots of things you have to do in all sorts of fields, but I think we have a leg up—sure, sometimes haltingly, sometimes we went to the brink, like in financing Social Security, but when all the dust settled, I think we have a very, very good record. I am not saying it because you are you, but you folks obviously participated in it. It deserves some kind of mention.

Now the second point, very quickly, is that during all this time, you had to respond to current and future developments and you have now heard enough, I think, of what the demographic situation is, about younger and older people, and it is fascinating to somebody who has been able to follow the record for all these years to come to the Capitol again—I did work in Washington for 25 years—and find that the emphasis is on bringing older people back into the workforce and that is, indeed, a switch. I think that is enough said about that.

If you want my prognostication for the future—I am coming toward the close, you will be glad to hear—I think that for a number of reasons, what you are up to this morning on this historic occasion, with both committees meeting, is sure going to prevail for many, many years to come.

The fact of the matter is the demography is here for a long time. You don't need me to repeat it. The second thing is that business and industry, which you, Mr. Chairman, mentioned a number of times, is taking another look. I have been looking at some of the preretirement programs business and industry have and, lo and behold, you know what they are finding? As they give advice and counsel on people to retire, they are saying, "You know what? Here are a bunch of people that we're helping to retire who have exactly the experience that we need in the years ahead and for which we can't get workers."

And as Dr. Rix has indicated, they do have these years of experience; they are more productive, less absenteeism and all the rest, as Dr. Rix indicated. I think you are going to see a switch in the position of many businesses and industries that are finding, "There they are," and why don't we give them a leg up?

Another reason, of course, is that—I think this was mentioned, older people, I find, are needing more and more income. Some of the things they spend the money on most show the biggest increases of prices in their market basket. We have to take a hard look at that, too.

As I talk to older people, more and more of them are mentioning the fact that, while it is great to retire—and we ought to mention this, really, and put it on the table—like the guy in Social Security told me—and I am sure you have heard a million times—his wife tells him, "I married you for better or for worse, but not for lunch every day," and all the rest of the cliches you have heard so many times.

The fact of the matter is a lot of them tell me, just in terms of sheer continuation of good health, they would like a chance to participate a little bit. You folks have a great chance to lay the groundwork for the years to come.

As my colleagues have mentioned, you know the demography for the future. If you can really ease the pathway for older people who wish to do so, you are going to make a great contribution to the future of this country.

Just two more words. I do want to say something about the fact that this is a celebration of Hispanic Heritage Week and I don't think this has been mentioned, but I would like to emphasize this. In all the demography that everybody talks about, Mr. Chairman, nobody has said this: that the Hispanic population is bucking the demographic trend. They are the only group, aside from the so-called "all-other," which includes Asians and so on, the only group where both young and old are projected to increase their numbers. Let's get that on the record.

I will say flatly to you, I don't see how we can meet the manpower needs of this country—let's say to the end of the century, literally—it is not for a moral reason or ethical reason—sheer numbers—

you are not going to be able to meet the personnel needs of this country without endowing that part of the population with what it takes to latch on to the future job market.

Finally, you will be glad to hear, many years ago, I made a statement that the price of civil liberty is full employment. I include in the definition of civil liberty, Mr. Chairman, being able to move into and out of the labor force with dignity and with a chance to do so, whether you want to or not.

I would like to underscore what my colleagues have said, that sustaining high levels of employment is a must if this agenda that you folks have laid out for us is really to take place, and we should go down to customized training fields—let me spend one more minute.

I don't know whether you folks saw an editorial in the New York Times a few days ago. We have to customize our training to meet the people. We have to customize the training to meet the needs of business and industry. We have to customize the training in terms of the places we are. Look at your committee. You have people from Florida. Eighty-nine percent of the population increase in the State of Florida in the first half of this decade came from migrants.

You have Pennsylvania, where Mr. Borski is from, where I am from, where it is quite the other way around. If you can customize the training, you have a leg up.

Mr. Chairman, I consider it an honor to be invited to testify before you and I appreciate the courtesy.

Thank you very much.

[The prepared statement of Mr. Wolfbein follows:]

PROSPECTS FOR THE OLDER WORKER

Seymour L. Wolfbein

(Testimony Before the U.S. House of Representatives Select Committee on Aging and the Subcommittee on Employment Opportunities of the House Education and Labor Committee, September 14, 1988)

I- SOME HISTORICAL PERSPECTIVE

For most of the more than forty years since the end of World War II, both public and private policy was geared to providing an environment which would help people leave the workforce as early as they thought to be desirable and with a decent financial base to enable them to enjoy their retirement. For example, the Congressional record during those years shows a range of legislation from permitting retirement at age 62 from Social Security (with reduced benefits) to a considerable expansion of the avenues for financial preparedness for retirement, e.g. Keough and IRAs to portability of pensions, etc., etc...

--The record also shows that in this kind of environment, retirement from the labor force increased significantly and persistently, leaving us with a multi-million person pool of individuals outside the labor force: There are more than 37½ million men and women, 50 years of age and over, who are neither working nor seeking work. Of these, more than 25 million are 65 and older.

--Within this huge cohort of people there have been steep reductions in rates over the years, across the board for Whites, Blacks, men and women. Only a little over one-half of the men 60-64 remain in the workforce, compared to three-fifths twenty years ago. Less than one-fifth of the men 65-69 years of age are still workers, and the figure for men 65 and over is down to about 10%.

--Even for men in their fifties, declines in labor market participation have been considerable: For men as young as 55, the worker rate has gone down from 91% to 84% during the past two decades; for men 56 years of age, the figure is down from 91% to 82% over the same period of time; for those 57 years of age from 91% to 80%, etc.

At the same time, but particularly in more recent years, we also have seen major legislation which aims to protect the status of older people in the labor force who wish to continue their working lives.

It ought to be emphasized that all of these measures, some of which make it easier to exit from the workforce and some of which make it easier to stay, are by no means contradictory. They should, in fact, be viewed as supporting public and private policy to maximize an individual's freedom of choice on how and when to retire in the light of their own attitudes and wishes, in the light of their own financial outlook and in the light of their own background of working life.

From the perspective of more than four decades, it is fair to say that, despite the pitfalls, the mistakes, the coming to the brink (e.g. in the case of financing Social Security) the continued existence of financial, health, and other problems among the older populations, we indeed have come a long way in this arena, gradually providing a firmer base for the road we still have to build and travel upon.

II- THE CURRENT SCENE AND THE FUTURE BEFORE US

As is always the case, public and private policy has to respond to current changes in national social, economic and demographic forces that keep on occurring, while also keeping an eye on what the future has in store for us on these fronts.

The current scene is just about a perfect example of this phenomenon. In demography, the past is indeed prologue and these forty odd years we have been reviewing so far have seen a relativily rare happening in this field: Back-to-back, very sharp changes in birth rates which first provided us with a huge new supply of population which inexorably became a huge new labor supply, followed by a huge drop in the new supply of population, the results of which we are now reaping in the form of a significant drop in new young workers.

This can be illustrated with just a very few numbers. Between 1970 and 1980, the number of new, young workers rose by 42%, an unprecedented rise for a decade's time. During the current decade (1980-90) we are getting a decline of 13% in that group in the workforce. By the year 2000, the number of new, young workers (16-24 years of age) will be 2.7million or a little over 10% less than in 1980. At the same time those 60 and over in the labor force will be down by about 1 million or 12½%, 1980 to the year 2000.

With both ends of the age scale showing and scheduled to show declines in their work force numbers, the crunch is on those in their adult and middle years and comes head-on with growing shortages of labor generated by a peacetime record stretch of prosperity and sustained rising levels of employment.

Policies for increasing labor market participation among older persons are thus coming front stage and we would summarize the current and near future scene as follows:

> --If relatively high levels of employment continue to be sustained, the emphasis on raising workforce activity among the older population is bound to increase, for at least three major reasons:

--The first is the sheer growth in job opportunities for older personnel, caused in large part by changing attitudes toward their employment by business and industry which is scrambling for hands, skills, talents in just about all occupational fronts. They see more and more that these older people come with decades of work experience which were obtained in those very businesses and industries, not to say with maturation, developed work habits, less absenteeism, more productivity.

--At the same time, steadily rising prices and cost of living in the face of generally fixed incomes is spurring increased interest and and need among the older populations for additional income and employment, especially as costs of such items as health care are increasing more than most of the other contents of this group's market basket of foods and services.

--And not to be underestimated, is the desire and need among an increasing number of these workers, who are bringing more and more education and skill development than did previous generations into their later years, to continue or come back to some gainful activity. For many of these, continued or resumed work activity is considered a matter of continued good health.

III- A NOTE ON HISPANIC OLDER WORKERS

This meeting is taking note of the current Hispanic Heritage Week and at least a brief comment should be made at this point concerning that group in the new population and workforce in the context of our analysis.

The provision of relevant programs and policies for Hispanics is particularly urgent if only because of the almost unique role they are playing in our current and future workforce picture. The fact of the matter is that they are bucking many of the trends described so far: Instead of declining, they are increasing their role in the American labor force today and through the year 2000 and beyond at all ages.

We can summarize our point in the following few figure:

	Change in Workforce 1980-2000
TOTAL	40%
16-24	-10½
60+	-12½
NONHISPANIC WHITE	17%
16-24	-28
60+	-18

BLACK	30%
16-24	+11
60+	-8
OTHER	133%
16-24	+71
60+	+142
HISPANIC	129%
16-24	+63
60+	+82

The fact of the matter is that Hispanics and the "all other" group comprising Asiatics, predominantly Oriental, are the only ones which are going to increase their workforce numbers at both ends of the age scale, contrary to the overall trend already described. In 1980, all Hispanic workers accounted for a little under six percent of the American labor force; by the year 2000, it will be a little over 10% and rising. Their labor force increase will be more than triple the rate for the country as a whole. It is literally the case that the nation's human resources needs are not going to make it without endowing the Hispanic workforce with what it takes to participate across the board occupationally and industrially throughout the country.

IV- PROGRAM RECOMMENDATIONS

Our assessment of the results of policies and programs in this field since the end of World War II has already been stated: They have moved with considerable force toward increasing the freedom of choice among Americans in determining the length of their working lives.

We would recommend following on this course and without moving into great detail, this would include, for example, removing the age cap on compulsory retirement, since it serves no real purpose. Experience to date with the current law shows no great effect on trends in workforce participation by older persons, but does leave the door open for those who would like to and can go on in the future.

Our biggest emphasis, however, would be on public and private programs for education, training and retraining being made available to older persons who are still in the labor force or outside it and needing and wanting to go to work. There are, of course, already on board a variety of public agencies in this field, including operations under the Job Training Partnership Act (JTPA) which permits a set-aside of three percent, for disadvantaged workers 50 years of age and over and the National Council on Aging with extensive activities throughout the country.

Quite relevant, for example, is a recent statement to its newly formed JTPA Advisory Committee (CF. August 12, 1988 Federal Register) by the Employment and Training Administration of the U.S. Department of Labor. It indicated that it was conducting a review of experience under the JTPA and presented a variety of issues to be considered.

Under the heading: Meeting Other National Priorities the statement indicates that JTPA would continue to meet the basic objective of raising employment and income and reducing dependency among the disadvantaged, and goes on to say:

> "However, JTPA - potentially - can serve other national objectives, at the same time. For example, due primarily to demographic factors, the country is beginning to experience labor shortages in specific occupations. These shortages are likely to intensify, at least through the year 2000. Specific U.S. industries will be faced with increasing competitive pressure from abroad. JTPA training could be geared to help address these national problems while also serving JTPA clientele. Training could also be targeted to shortage occupations and industries which need trained workers to compete more effectively".

It then goes on to ask:

> "Are there other national priorities - such as addressing labor shortages and supporting export industries - which can be furthered by the JTPA program and, at the same time, enhance the employment prospects of disadvantaged and disclosed clients? Which additional national goals can best be served by the JTPA program?
>
> "Which approaches should DOL follow to encourage states and SOA's to factor such nation objectives into their planning: policy guidance, promotional/education efforts; technical assistance; financial inactives; other approaches?
>
> "Are legislative changes required?

Whether it be based on the activities of these agencies or on some other formats, programs for endowing the older person in and out of the labor force with what it takes to make one's way in the current world of work as well as being ready to cope with the inevitable changes that are going to occur in workplace technology are a must.

Specifically, we recommend to the attention of these Committees of the Congress:

1. The provision of adequate resources available for these purposes including training, retraining, job development and placement of older persons. Such resources are really investments, making additional hands available for what needs to be done in the country, increasing the income potential of these people, representing a return in taxes, a reduction in various transfer payments, etc.

2. These funds ought to include room for custom-tailored programs of training, job development and placement: custom-tailored to take into account the individuals in the program and custom-tailored to take into account the job needs of the economy.

   --To make this more specific: In research now being done with resources from the U.S. Department of Labor, we are incountering excellent programs in the private sector, carried out by the temporary help industry, where older persons are tested and counseled and trained and them placed in a wide range of jobs all the way from professional, technical, clerical, light industrial, service, cleaning and laboring jobs, with many moving into the job mainstream on a permanent basis.

   --Public monies also have bwen effective in this arena (e.g., in funds from the National Council on Aging to the Jewish Employment and Vocational Service, in Philadelphia, with which we are associated) which has scored many successes in moving older persons, again through testing, counseling, training, custom-tailored to their needs, into non-subsidized employment.

3. Whatever funds are made available should be available to support both public and private agencies in programs of pre-retirement planning. These already are taking place, of course, in business and industrial enterprises, in universities, in hospitals, etc. They represent an excellent format for preparing for retirement, and our experience shows that in the process many of the individuals going through their programs are also allerted to job opportunities not only in their own places, but elsewhere as well after their "retirement". Many firms are also finding out, as we already indicated, that some of the best workers they can find are indeed among their retirees or potential retirees.

4. Even in periods of relatively high employment, layoffs do take place at both the plant and office levels. Support should be given for the establishment of programs for older persons involved in these displacements, pointing them to existing alternatives, again through testing, counseling, training, job development and placement. There are many "outplacement programs" available for executive personnel and we need to extend them down the line, particularly for older personnel.

5. At a recent series of conferences held at Gallaudet University, here in Washington, D.C., we had the opportunity to prepare a paper on "The Demography of the Disabled". It was an eye opener in showing the tremendous opportunities and benefits derived from preparing the disabled - physical, sensory, mental and emotional, and cognitively disabled - for work. The education and training/work connection was very clear, e.g., more than two-fifths of the nonworking disabled never finished high school, double the rate among the working disabled.

There are many exemplary programs illustrating these many facets of the training arena, and perhaps the Committees involved in these endeavors could assemble and make available where they are and what makes them exemplary. Our experience says that a major common denominator to these exemplary programs are indeed a) the way they custom-tailor their operations to individual needs and b) the way they custom-tailor their operations to the needs of employing institutions - which, of course, is why we have used that term in our discussion in this section.

6. Whatever programs are mounted in this field also should take into account the enormous differences among states and areas in even so elementary a fact as the proportion of the population, not to say the proportion of the labor force, which is in the older years. If set-asides are mandated in legislation, they ought to take account of our varied geography and permit some range to do so. States and areas ought to be able to take into account not only these numbers, but also some of the characteristics of their older workers. For example, Florida, with the highest proportion of its population 65+, experienced a very large population increase during the first half of this decade, with migration to that state accounting for 89% of that increase of over 1½ million. Other states with relatively high proportions of older populations such as Pennsylvania, owe their big percentages of older population more to the outmigration of younger people. The populations to be served might therefor be quite different, their requirements quite different, the funding arrangements quite different.

Examples of what we mean (and some other basic information relevant to the Committees' requests) including data on older worker labor force patterns such as unemployment, part-time work, self-employment, occupationas and geographical distribution will be found in the attached monograph on "The Older Worker".

In inviting us to testify today, the Committee Chairmen suggested that they would like some historical perspective on older worker programs and some ideas for improving current programs and some innovative programs for dealing with future problems facing older workers. In attempting to respond to these suggestions, we did review our experiences and went back to the Manpower Development and Training Act (MDTA) signed into law by President Kennedy on March 15, 1962, more than a quarter of a century ago. We still have one of the pens the President used in signing the legislation and were active in helping administer the Act for several years. Inevitably, we were asked to review what happened during the first years of MDTA, and in looking back at that review, we found the following:

> "Most of the amendments to MDTA in 1963, 1965 and 1966-- moved in the direction of permitting wider latitude in mounting people-oriented programs--Among the amendments were these: (1) Establishment of special programs to meet the needs of older workers. This will permit the formulation of custom-tailored (there goes that term again - ed. note) programs of testing, counseling, and solution for men and women 45 years of age and over. The disproportionately lower rate of entry into training programs of older workers and their similarly lower rate for placements have already been documented" (In Wolfbein, S.L. Education and Training for Full Employment N.Y. and London, Columbia U. Press, 1967,pp.175-176).

So apparently it is true that there is nothing much new under the sun.

V- A FINAL WORD

In reviewing the events of the past generation in this field, it becomes very clear that most of the forward looking legislation occurred during periods of relatively good economic conditions, with relatively high employment and low unemployment levels. We are in that stage now, as we have already emphasized, and we ought to strike while that iron is hot. Full employment is the price of civil liberty (including freedom of choice on how long and where and what we do at work) as history shows. Significantly enough, events also show that the world of work is always changing and vigilance aimed at keeping workers up to date, is also the price of full employment which is always endangered if any sector - by age, sex, color, ethnicity, religion, etc. - misses out.

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MONOGRAPH

THE OLDER WORKER

by
Dr. Seymour L. Wolfbein

THE OLDER WORKER

Before we begin, we note that the word older has many connotations. Who is regarded as old, it turns out, is not only in the eyes of the beholder, it also varies with the law, custom, organization, etc. Thus, the Age Discrimination in Employment Act which is the law of the land begins at age 40; the American Association of Retired Persons accepts membership in the organization at age 50; one may retire with Social Security (at reduced benefits) at age 62; the "conventional" retirement age is considered to be 65; another law of the land bars compulsory retirement with a few occupational exceptions until age 70. Stepping gingerly through this minefield, we will also vary our age cutoffs, depending on the matter being discussed, the availability of data on what we are discussing, and wherever possible we will provide enough age detail so that we all can choose our own cutoffs to fit our own operations, geography, labor supply focus, etc.

As we survey the current labor supply scene and, indeed, look out over the next dozen years to the year 2000, the spotlight is beginning to turn more directly on those at the upper end of the age span. With younger workers continuing to decline in numbers and with those in the middle years at unprecedentedly high worker rates which are expected to decelerate their increases of the past twenty years, the question being asked is what can we expect from people in their later years in the form of additional labor force participation.

The question is particularly apt because older people represent an enormous wealth of experience and skills and talent gained over the years. Their motivation, high productivity, low absentee rates are all plus marks. And their numbers are very large and growing. The Bureau of Labor Statistics counted 371/2 million men and women 50 years of age and over as not in the labor force in 1987, with 25 million of them 65 and over.

A. Work Force Participation: The Past

For those exploring the potentials of training and retraining, placing and hiring older workers, a little background history is important. Consider the trends in the proportion of the various groups participating in the work force over the past 20 years:

AGE	WHITE MEN 1967	WHITE MEN 1987	WHITE WOMEN 1967	WHITE WOMEN 1987	NONWHITE MEN 1967	NONWHITE MEN 1987	NONWHITE WOMEN 1967	NONWHITE WOMEN 1987
50-54	94 1/2	90	51	62	89 1/2	82	58 1/2	62
55-59	90 1/2	80	48	52	85	73	51	53
60-64	78	56	35	33	73	47	42	34
65-69	43 1/2	25	16 1/2	14	44	22	21	14
70+	14 1/2	11	5 1/2	14	17	7	8	5

Source: U.S. Bureau of Labor Statistics

- *Even if we start with the relatively young age of 50, so far as the men are concerned, the trend has been down, and sharply so as age goes up. Only a little over half of the men 60-64 are in the labor force and one-fourth of the men 65-69 remain in the labor force.*

- *Significant declines have taken place among both white and nonwhite men.*

- *These figures are also available by single years of age and they emphasize the significant move toward early retirement by men even in their fifties. For example, worker rates have declined between 1967 and 1987 for men 55 years of age from 91% to 84%, for men 56 years of age from 91% to 82%, etc. For men 60 years old, the rate fell from 85% to 70%, for men 61 years old from 82% to 65% during that period of time, etc.*

- *The only increases we get 1967-1987 are the familiar ones, i.e., the women have moved up their labor force participation rates - but this is true only for women in their fifties; from 60 years of age on their worker rates have come down, and this has been true for both white and nonwhite women.*

B. Workforce Participation: The Future

Those responsible for looking into this matter and preparing government projections to the year 2000 in this field anticipate significant declines among most of the older age groups.

Here is the latest outlook, starting with the overall picture first:

NUMBER IN LABOR FORCE
(000)

AGE	1988	2000	% CHANGE
50-54	8,326	13,523	+62
55-59	6,961	8,671	+25
60-64	4,629	4,299	-7
65-69	1,799	1,347	-25
70+	1,216	1,047	-14

Source: U.S. Bureau of Labor Statistics

These figures are great examples of what we mean by making sure what we mean by older workers and, more than incidentally, how the past is really prologue when we talk about demography.

Thus, for people in their fifties, from here on out until the end of the century, the labor supply will be distinctly on the rise, with relatively very large increases at that. A person fifty years of age in 2000 will have been born in 1950, when birth rates were going up. The story is quite different for those in their sixties in 2000, where the outlook is for significant declines. This, too, has been in the demographic cards because, for example, a person 65 years old in 2000 will have been born in 1935 when birth rates were at historic lows during the depression years.

What differentiates people in their fifties from the rest of the older group is that while worker rates are projected to go down for both,the population increases for those in their fifties will counterbalance their declining worker rates, while the opposite is going to be true for those in their sixties, where falling labor market participation rates will overwhelm the population side of the equation.

On top of all this, one can expect major differences among these age groups by sex, color, and ethnicity:

OLDER WORKER OUTLOOK 1988-2000

Percent Change in Number in Labor Force

	MALE	FEMALE	WHITE	BLACK	HISPANIC	OTHER
50-54	+56	+71	+62	+61	*	+110
55-59	+20	+31	+23	+24	+56	+86
60-64	-11	-2	-9	-2	+29	+57
65-69	-27	-22	-28	-10	+27	+26
70+	-19	-17	-15	-9		+21

Source: U.S. Bureau of Labor Statistics

*Not available

"Other" category includes a wide range of individuals, e.g., American Indian, Aleut, but mostly Asian, predominantly Oriental.

With the exception of those in their fifties, the terrain is marked by minus signs, for men and women, Black and White. It will be the Hispanics and Others who will move up fast from now to 2000.

> *Success in bringing the older person into the work force will depend on strong, responsive, imaginative programs of assessment and testing, counseling, training, buttressed by equally strong job development programs focusing on job design relating to kinds of work, hours and days of work, etc. These efforts could also become important phases of planned retirement programs and job development efforts in connection with plant and office layoffs, re-employment of the disabled and the like.*

C. Employment Levels and Occupational Distribution

The preceding points are re-emphasized as we look more closely at the current scene to which the past trends we have examined have brought us, and from which the future outlook which we have described will be taking off.

UNEMPLOYMENT: One of the more familiar patterns found in labor force analysis is that unemployment rates go down with age. The jobless rate is highest among the very young who are at the beginning of their career development, then falls persistently until it reaches its lowest levels at the upper range of the age scale. It turns out that this is true in all phases of the business cycle when overall unemployment is high or low.

In 1987, for example, with an overall unemployment rate of 6.2%, the rate was as high as 16.9% for teenagers, 9.7% for those in their late twenties and early thirties, 6.0% for those in their late thirties and early forties, 4.0% for those in their late forties and early fifties, ending up at 2.5% among those 65+.

This pattern exists among men and women, Black, White, Hispanic and Others and is another factor that has to be taken into account in viewing the older population as a potential supply of additional workers, i.e., particularly for those 60 and over, worker rates are low to begin with and among those who do remain in the labor force, unemployment and availability for jobs is also low.

WORKING PART TIME: What ties in with our previous reference to the importance of job development and job design for the older population is the well known fact that voluntary part time work is a much more important phenomenon among them than it is for the rest of the population. The picture for the year 1987 looked like this:

PERCENT ON VOLUNTARY PART TIME WORK

	MEN	WOMEN
20-24	12%	19%
25-44	21	17
45-64	33	19
65+	43	55

SOURCE: U.S. Bureau of Labor Statistics

Another way of putting this is to note, for example, that while men 65+ account for about 2 1/2% of all male workers, they account for seven times that proportion (15%) of all male part timers.

SELF EMPLOYMENT: Before moving on to see where on the occupational ladder the older population can be found, another familiar principle in labor force analysis by age ought to be noted, that is, that working for oneself is indeed an important feature of the employment profile of older people. This, of course, is particularly true of agriculture, where nearly half of all employed men (47%) and one third of all women (34%) are self employed.

Self employment, however, is also a major phenomenon in the labor force scene among older persons in nonagricultural industries, as can be seen from the data for 1987:

PERCENT IN NONAGRICULTURAL INDUSTRY WHO ARE SELF EMPLOYED

	MEN	WOMEN
TOTAL	10%	6%
25-34	7	5
35-44	12	8
45-54	13	7
55-64	16	9
65+	32	17

SOURCE: U.S. Bureau of Labor Statistics

Just about one out of every six men in the 55 to 64 year age group who are in nonagriculture are self employed, and that ratio doubles among men 65+. Even among the nonagriculturally employed at age 55 to 64, about one out of every ten women are in self employment, and that ratio almost doubles too among the women 65 and over.

OCCUPATIONAL DISTRIBUTION: Through the courtesy of the U.S. Bureau of Labor Statistics we have received unpublished data on the age distribution of persons employed in the major occupational groups and a number of specific job fields. On the basis of these materials we have constructed Table 1 (see p.6), which shows for each of these occupations the proportion of the employed who are 55 years of age and over, separately for men and women, broken out by three age groups 55-59, 60-64 and 65+. The information is based on all the returns for 1987.

Each of the occupations has an interesting story, but here are some highlights:

• Men 55 years of age and over account for about one out of every seven men employed; the corresponding figure for women 55+ is about one in eight. We are obviously dealing, therefore, with a not insignificant group of employed Americans.

• It will be no surpise, in view of what has been reviewed up to now, to find that these proportions fall off sharply with age: The 65+ age group accounts for a little under 3% of all employed men and 2% of all employed women.

• All of these figures vary very widely depending on the occupation involved, revealing significant clues on the whereabouts of the staying power of the older worker on the different rungs of the occupational ladder.

• Thus, among the men 55 years and over, their proportion of total employment is close to the 20% mark in such diverse fields as administrators and managers in public administration; in the legal and health diagnosing (doctors, dentists) fields; in such clerical endeavors as the processing of financial records; in cleaning and building services (janitors, etc.); and in such personal service fields as barbers. Off by itself, of course, are the farmers and farm managers, where 40% of all men employed are 55+.

• Here, too, the figures shade off quickly when the focus is on the older group such as men 65+. As noted, they account for about 3% of all employed men, and that is about where it stands across the occupational board with the familiar exception of farming, and discernably higher percentages again in the legal and health diagnosing occupations and personal service.

• Among the women, higher than average representation by those 55+ are the same as for men in some instances, e.g., managers in public administration, processing of financial records, cleaning and building service and the farm.

TABLE 1

PROPORTION OF OLDER MEN AND WOMEN IN SELECTED OCCUPATIONS IN 1987

	MEN				WOMEN			
OCCUPATION	55+	55-59	60-64	65+	55+	55-59	60-64	65+
TOTAL	13%	6%	4%	3%	12%	6%	4%	2%
EXEC.ADM.MANAGERIAL	17	8	6	3	11	6	3	2
Public Adm	21	11	6	4	17	8	6	3
Private Sector Adm	18	9	6	3	12	6	4	2
Mngment Related Occup	16	7	5	4	8	5	2	1
PROFESSIONAL	15	7	5	3	10	5	3	2
Engineer	15	8	5	2	5	3	1	1
Math & Computer Scient	7	4	2	1	4	3	*	1
Natural Scientist	11	5	4	2	5	2	2	1
Health Diagnosing	22	7	8	7	7	4	2	1
Health Treating	9	4	3	2	9	5	3	1
Lawyer, Judge	18	7	5	6	6	3	2	1
TECHNICAL SUPPORT OCC.	8	5	2	1	6	3	2	1
SALES OCCUPATIONS	16	7	5	4	12	5	4	3
Sales Supv	16	7	5	4	13	6	4	3
Sales Reps, Fin &Business	20	8	6	6	12	6	4	2
Sales Reps.Commodities	14	6	5	3	6	3	2	1
Retail Sales	13	5	4	4	12	5	4	3
ADM. SUPPORT, CLERICAL	13	6	4	3	12	6	4	2
Clerical Supv	12	6	4	2	12	8	3	1
Fin. Records Process	19	8	4	2	17	8	6	3
Mail & Message Distr	17	9	4	4	10	6	2	2
Sec'y, Steno., Typ			-	-	11	5	4	2
Computer Operator	-		-	-	6	4	2	*
SERVICE OCCUP.	13	5	4	4	14	6	4	4
Protective Svc	13	5	4	4	11	6	3	2
Food Svc	5	2	2	1	11	5	3	3
Cleaning & Bldg. Svc	21	9	7	5	20	10	6	4
Personal Svc	19	6	5	8	12	5	3	4
Health Svc	-	-	-	-	10	4	4	2
CRAFTS, REPAIR	13	7	4	2	14	7	4	3
MACH. OPER., ASSEMBLY	11	6	4	1	15	8	5	2
TRANSP. MATERIAL MOVING	13	7	4	2	12	6	4	2
LABORER, HANDLERS, CLEANER	8	4	2	2	10	5	3	2
FARMING, FORESTRY, FISHING	24	7	7	10	21	9	6	6
Farmer, Farm Mgr	40	11	12	17	34	12	10	12
Forestry, Fishing	12	6	2	4	-	-	-	-

*Less than 1%

Source: U.S. Bureau of Labor Statistics

On the lower-than-average side are a set of occupations such as management related occupations (accountants, buyers, financial officers), doctors and lawyers, computer scientists and operators where women have made a stong move in recent years, but haven't had a chance yet to become 55 years of age and over. With the exception of the farm, women 65+ are way down on the low side across the occupational structure.

Our review so far has revolved around the question: What proportion of total employment in each of the occupational groups is accounted for by the older man and woman worker? Another way of looking at the data which can add to and clarify our perception of this matter is to ask the question: What, indeed, is the occupational distribution of older men and women workers? In other words, when all the dust settles, where do we find the older worker employed these days?

Here is the story for workers 65 years of age and over for 1987:

ALL MALE WORKERS 65+	100%	ALL FEMALE WORKERS 65+	100%
SALES	16	SERVICE	29
FARM	15	ADM. SUPPORT/CLERICAL	24
EXEC., ADM., MNGRIAL	15	SALES	15
PROFESSIONAL	13	PROFESSIONAL	10
SERVICE	12	EXEC., ADM., MNGRIAL	8
CRAFTS, REPAIR	11	MACH. OPER; ASSEMBLY	5
ADM. SUPPORT/CLERICAL	6	FARM	3
TRANSP, MATERIAL MOVING	5	CRAFTS, REPAIR	3
MACH. OPER; ASSEMBLY	3	TRANSP; MATERIAL MOVING	1
LABORER ,HANDLER, CLEANER	3	LABORER, HANDLER, CLEANER	1
TECHNICAL SUPPORT	1	TECHNICAL SUPPORT	1

The occupational concentration among the older women stands out: More than half (53%) are in the service and clerical fields. If we add the third ranking occupational group, sales, we account for two thirds of the employed women 65+.

The distribution among men workers 65 and over is much less concentrated. In fact, the first six ranking occupational groups among the men (of the total of eleven listed) all are in the two digit category, each accounting for at least one out of every nine employed men.

A similar tabulation for workers 55+ yields approximately the same kinds of rankings, and in both cases the standings reflect in good part the difference in occupational patterns between the sexes generally, e.g., the women's concentration in clerical and personal service work across the board. The fact that almost 20% of the women 65+ are employed in executive, managerial and professional jobs, however, is higher than it has been in the past and could foreshadow an increase in their standings as women develop their careers in these fields.

OUT OF THE WORK FORCE: We end this section with the following piece of intelligence, unintentionally in our original design but perhaps a good idea as it turns out. It emphasizes the need for policy and program development (as already described) in this field if we are to indeed elicit additional labor market participation on the part of the older person in a responsive and responsible manner, under current social and economic conditions.

In the regular monthly reports on employment, unemployment and related information, persons are not asked whether they want to work. For example, (and not going into all the nuances of the matter) a person at work is of course counted as employed; people who have no job are not asked whether they want to or need to work, they are counted as unemployed if they are available for and are actively seeking work.

Those who are neither working nor looking for work, i.e., are out of the work force altogether are asked if they would like to work, and if so, why they are not seeking work. In 1987 there were 30 1/2 million persons 60 years of age and over out of the labor force. They were asked if they "wanted a job now". Ninety-eight percent (98%) said no. This was true for the 30 1/2 million as a whole, for the men, for the women, for Whites, Blacks, Hispanics and the Others: 98% said no.

Among the men who said no, the overwhelming majority gave as their reason for a no answer "Retired". In addition to the 86% who gave retirement as the reason, another 8% pointed to "Illness and Disability". Among the women who said no, the most frequent response (62%) cited "Keeping House" and another 30% indicated "Retirement".

Which brings us to the 2% who said they did want a job now. When asked why they were not looking for work, 33% of the men gave "Illness and Disability" as the reason; the corresponding figure was 28% among the women.

D. Geographical Distribution of Older Citizens

By the middle of the 1980s, the percent of Florida's population which was 65 years and older was closing in on one out of five; in Alaska it was about one in thirty-three. Even without these extremes, there is indeed a very wide difference in this ratio among the states, as Table 2 shows (see p. 9). There are, of course, major differences as well within the states, central cities in contrast to suburbia, urban in contrast to rural areas, etc.

All these differences, whether inter- or intra- state, are a compound of historical development and past and current social and economic forces, varying from attitudes toward the older person as a worker, to the changing industrial base of a place to the size and composition of immigration as well as internal migration to and from a place.

As just a small example in an obviously complex matter, note the following:

	1970-1980			1980-1985		
	POP RISE (000)	INTERNAL MIGRATION	MIGRATION AS % OF RISE	POP RISE (000)	INTERNAL MIGRATION	MIGRATION AS % OF RISE
CALIFORNIA	3.697	1.573	43%	2,697	1.429	53%
TEXAS	3.031	1,481	49	2.140	1.202	56
FLORIDA	2.955	2.519	85	1.619	1.437	89

SOURCE: U.S. Bureau of the Census

California, Texas and Florida had the biggest population increases among the states both during the 1970s and the first half of the 1980s. As the figures show, migration played an enormous role in that increase. Florida is number one in its proportion of the population 65+ because of the composition of the migrant stream to its state. Texas, with quite a different age composition of its migrant stream, ranks well toward the bottom of state rankings with a ratio of about half of what it is in Florida. California is also below the national average in that ratio, again in good part because of the age composition of movers to its borders. All of this is also compounded by the differences in the size and characteristics of persons moving to these states from abroad.

These, too, are some of the additional phenomena that have to be taken into account in the design of the responsive and responsible programs to which reference has been made.

TABLE 2

PROPORTION OF POPULATION 65+
1985

USA	12.0
FLA	17.7
RI	14.4
ARK	14.3
PA	14.3
IO	14.3
MO	13.7
SD	13.7
NEB	13.5
MASS	13.4
WVA	13.3
KAN	13.3
ME	13.2
ORE	13.2
CON	13.0
WIS	12.9
MIN	12.8
NY	12.7
ND	12.7
NJ	12.6
OKL	12.3
ARIZ	12.3
ALA	12.1
DC	12.1
OHIO	12.1
TENN	12.1
ILL	11.9
KY	11.9
MISS	11.9
MONT	11.8
VT	11.8
IND	11.7
NH	11.6
WASH	11.4
NC	11.3
MICH	11.2
DEL	11.2
IDA	10.9
CAL	10.5
MD	10.4
VA	10.3
SC	10.2
GA	9.9
NEV	9.9
LA	9.8
N MEX	9.6
TEX	9.4
HAW	9.4
COLO	8.8
WYO	8.3
UTAH	7.9
ALAS	3.2

Bureau of Census/Current
Population Reports/Series
P-25 No 998/Dec 1986

The Vocational Research Institute is a division of the Philadelphia Jewish Employment and Vocational Service, a non-profit, non-sectarian human service agency founded in 1941. VRI develops and distributes vocational assessment and guidance materials for use in industry, governmental institutions and organizations seeking to maximize the vocational potential of their clients.

COMPUTER SYSTEMS/SOFTWARE

APTICOM: The self-timing and self-scoring dedicated microcomputer that assesses aptitudes, interests, and work-related language and math skills and which generates score and vocational recommendations reports tied to the U.S. Department of Labor's job matching system.

VRII (Vocational Research Interest Inventory): Apple and IBM compatible software that assess and report expressed interest in the U.S. Department of Labor's twelve interest areas.

Vocational Report Righter: Apple compatible software for the creation and printing of vocational assessment reports or employability development plans tied to the U.S. Department of Labor's job matching system.

PAPER & PENCIL

VRII (Vocational Research Interest Inventory)
IIIV (Inventario Investigativo de Interés Vocacional)
English and Spanish language alternate forms, written at a fourth grade reading level, that assess expressed interest in the U. S. Department of Labor's twelve interest areas.

PUBLICATIONS

Dictionary of Worker Traits: A two-volume reference, for use in person-job matching and determination of skill transferability, that details worker characteristic requirements of occupations in the U.S. economy.

WORK SAMPLE SYSTEMS

Vocational Information Evaluation Work Samples (VIEWS)
An integrated battery of sixteen work samples that evaluates the vocational potential of midly, moderately and severely retarded persons.

Vocational Interest, Temperament, Aptitude System (VITAS)
An integrated battery of twenty-two work samples that evaluates the potential of youth and adults with limited work experiences and records of underachievement.

Additional information can be obtained by calling
Vocational Research Institute
Philadelphia,Pa
1-800-VRI-JEVS

Mr. ROYBAL. Mr. Wolfbein, I would like to thank you for a very excellent summary. The committee realizes that you have a plane to catch at 12 o'clock. I will not ask any questions at this time or any member of the committee. We will, however, if we have a question, submit it to you in writing so you can respond in that manner.

Mr. WOLFBEIN. I appreciate that. Thank you very much.

Mr. ROYBAL. I thank you very much, Doctor.

The committee now will recognize Ms. Barbano.

STATEMENT OF JOSEPHINE BARBANO, CHAIRMAN, CALIFORNIA STATE LEGISLATIVE COMMITTEE, ON BEHALF OF THE AMERICAN ASSOCIATION OF RETIRED PERSONS

Ms. BARBANO. Thank you, Chairman Roybal, and Chairman Martinez.

I am Josephine Barbano, Chairman of the California State Legislative Committee of the American Association of Retired Persons. I appreciate this opportunity to discuss with you current and future concerns of older American workers. Almost 10 million of AARP's 28 million members are either full- or part-time workers. One of our primary goals is to secure equal employment opportunities for older workers, while another is to enhance existing programs intended to serve older workers. My testimony will discuss these concerns in two parts: improving existing major programs for older workers and protection of older workers' rights.

Among the most important existing programs for older workers are the Senior Community Service Employment Program and the 3 percent set-aside for older persons under the Job Training Partnership Program.

Although both programs provide employment opportunities for older workers, they do so with different levels of effectiveness and operate under circumstances that diminish their impact, particularly on low-income and minority older persons.

SCSEP provides community-service jobs for low-income unemployed persons 55 years of age or older in a variety of useful service areas. The Job Training Partnership Act also trains low-income persons in a wide range of skills. Unfortunately, the latter program's inability to recruit older workers frequently means all JTPA funds are not spent. By contrast, SCSEP has several applicants for each job or available position.

AARP is proposing two major options to make these programs more effective. Option 1, make greater use of Title V sponsors as a means to enroll more economically disadvantaged persons age 55 or older in training programs. AARP supports and recommends the Senate Appropriations Committee language for this purpose in the manager's report accompanying the fiscal year 1989 Labor/HHS/Education Appropriations Act.

Option 2, shift funding, which normally would be provided for the JTPA 3 percent set-aside, to the SCSEP if it goes unspent.

The Association also feels certain administrative changes would enhance the Title V program. One, finalize Title V regulations which were last published for comment in 1985, after years of inaction; two, include in the equitable distribution formula an unemployment factor—this will particularly make an impact in areas with exceptionally high unemployment or communities that experience mass layoffs affecting older workers. Three, make appropriate adjustments in funding for the Senior Community Service Employment Program to compensate for State minimum wage increases and the likely prospect of a boost of the Federal minimum wage. Four, conduct a study to determine whether a formula can be developed to provide appropriate and timely adjustments in the per enrollee costs.

Regarding older workers' rights, great strides have been made to protect older workers' rights and encourage older persons to keep working. Two examples are the elimination of mandatory retirement and pension reforms that continue to accrue pension benefits for older workers and allow newly hired older workers to participate in pension plans. However, more needs to be done in three areas.

One, Social Security earnings limit. Social Security law limits the amount a beneficiary may earn from working. In 1988, $1 of benefit is lost for every $2 earned above $6,120.

By 1990, this ratio will be one to three. The earnings limit, obviously, does not encourage people to work. AARP urges eliminating or substantially modifying the earnings limit to remove this penalty.

Two, Social Security delayed retirement credit. Older workers who defer receiving Social Security until age 70 get a 3 percent increase in benefits for each year from 65 to 70. This credit will be raised gradually to 8 percent by the year 2008. This higher credit is a powerful incentive to keep working. AARP strongly urges a faster phase-in of the new higher credit.

Three, early retirement incentive programs. Employers who must down-size often use exit incentives rather than mandatory layoffs with their accompanying hardships. These early retirement incentives have been offered to hundreds of thousands of older workers in the past decade. These programs must be scrutinized to make sure they do not discriminate.

Congress and the Department of Labor have not expressed support for these programs. Unfortunately, the Equal Employment Opportunity Commission has, at the expense of the rights of older workers and good labor policy. AARP urges close examination of the EEOC's actions and the wisdom of early retirement incentives generally.

Exit incentives offer a viable alternative to employees, regardless of their age.

In conclusion, AARP believes older workers must play a major role in keeping America's economy strong in the future. In order to ensure that, planning must begin now.

Thank you again for this opportunity to be a part of the planning process.

[The prepared statement of Ms. Barbano follows:]

AARP

STATEMENT

OF

JOSEPHINE BARBANO
CHAIRMAN, CALIFORNIA SLC

ON BEHALF OF

THE AMERICAN ASSOCIATION OF RETIRED PERSONS

BEFORE THE

HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

COMMITTEE ON EDUCATION & LABOR
AND
THE HOUSE SELECT COMMITTEE ON AGING

REGARDING

OLDER AMERICAN WORKERS: CURRENT AND FUTURE CONCERNS

SEPTEMBER 14, 1988
WASHINGTON, D.C.

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THANK YOU, CHAIRMAN MARTINEZ AND CHAIRMAN ROYBAL.

I AM JOSEPHINE BARBANO, CHAIRMAN, CALIFORNIA STATE LEGISLATIVE COMMITTEE, SPEAKING ON BEHALF OF THE AMERICAN ASSOCIATION OF RETIRED PERSONS. I APPRECIATE THIS OPPORTUNITY TO DISCUSS WITH YOU CURRENT AND FUTURE CONCERNS OF OLDER AMERICAN WORKERS AND HOW CURRENT LABOR POLICY WILL AFFECT AMERICA'S LABOR FORCE INTO THE 21ST CENTURY. THIS ISSUE GREATLY INTERESTS AARP, BECAUSE OLDER WORKERS WILL BE AN IMPORTANT PART OF THE FUTURE WORK FORCE. THE DEPARTMENT OF LABOR PREDICTS A FUTURE LABOR SHORTAGE AS THE "BABY BOOMERS" RETIRE AND FEWER WORKERS ARE AROUND TO REPLACE THEM. IT ONLY MAKES SENSE TO HAVE POLICIES NOW THAT ENCOURAGE PEOPLE TO STAY ON THE JOB.

ALMOST TEN MILLION OF AARP'S 28 MILLION MEMBERS WORK FULL- OR PART-TIME. ONE OF OUR PRIMARY GOALS IS TO SECURE EQUAL EMPLOYMENT OPPORTUNITIES FOR OLDER WORKERS, WHILE ANOTHER IS TO ENHANCE EXISTING PROGRAMS INTENDED TO SERVE OLDER AMERICANS. MY TESTIMONY WILL THEREFORE DISCUSS THE CONCERNS OF OLDER WORKERS IN TWO PARTS. THE FIRST PART WILL DEAL WITH IMPROVING EXISTING MAJOR PROGRAMS FOR OLDER WORKERS AND THE SECOND WILL ADDRESS PROTECTION OF OLDER WORKERS' RIGHTS AND MEANS OF KEEPING THEM WORKING.

JOB TRAINING PARTNERSHIP ACT (JTPA) AND SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP)

AMONG EXISTING PROGRAMS, AARP REGARDS THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP), TITLE V OF THE OAA, AS ONE OF THE MOST SUCCESSFUL AND EFFICIENT PROGRAMS OPERATED BY THE

FEDERAL GOVERNMENT. THE OTHER MAJOR EMPLOYMENT PROGRAM FOR OLDER WORKERS IS THE THREE PERCENT SET-ASIDE UNDER THE JOB TRAINING PARTNERSHIP ACT. ALTHOUGH BOTH PROGRAMS PROVIDE EMPLOYMENT OPPORTUNITIES FOR OLDER WORKERS, THEY DO SO WITH DIFFERENT LEVELS OF EFFECTIVENESS AND OPERATE UNDER CIRCUMSTANCES THAT DIMINISH THEIR IMPACT, PARTICULARLY ON LOW-INCOME AND MINORITY OLDER PERSONS.

THE TITLE V SCSEP PROVIDES COMMUNITY SERVICE JOBS FOR LOW INCOME UNEMPLOYED PERSONS 55 YEARS OF AGE OR OLDER, ENABLING ENROLLEES TO HELP THEMSELVES WHILE HELPING OTHERS THROUGH A VARIETY OF USEFUL SERVICES. ABOUT 64,800 JOB SLOTS ARE CREATED BY THE PROGRAM, BUT MORE THAN 100,000 INDIVIDUALS HAVE ACTUALLY PARTICIPATED DURING THE 1987-88 PROGRAM YEAR.

THE JOB TRAINING PARTNERSHIP ACT ALSO TRAINS LOW INCOME PERSONS IN A WIDE RANGE OF SKILLS, AND CONTAINS A THREE PERCENT SET ASIDE FOR INDIVIDUALS AGED 55 YEARS OR OLDER. WHILE THIS PROVISION HAS THE POTENTIAL TO ENABLE MANY OLDER PERSONS TO OBTAIN EMPLOYMENT, ACTUAL RESULTS HAVE BEEN SOMEWHAT DISAPPOINTING. NUMEROUS SERVICE DELIVERY AREAS (SDAs) HAVE ENCOUNTERED PROBLEMS IN ENROLLING OLDER AMERICANS IN JTPA TRAINING PROGRAMS. MOREOVER, A LARGE PROPORTION OF JTPA FUNDS ARE NOT EXPENDED BY THE END OF THE FISCAL YEAR.

TITLE V PROJECTS, BY CONTRAST, QUITE OFTEN HAVE SEVERAL APPLICANTS FOR EACH AVAILABLE POSITION. NEARLY ALL SCSEP APPROPRIATIONS ARE EXPENDED BY THE CLOSE OF THE PROGRAM YEAR. SDAs CANNOT BE EXPECTED TO KNOW HOW TO REACH PROSPECTIVE OLDER

WORKERS AS WELL AS ORGANIZATIONS WHICH ARE PART OF THE AGING NETWORK. NEVERTHELESS, IT IS CRITICAL THAT THE OPPORTUNITY TO SERVE OLDER PERSONS NOT BE LOST.

AARP IS PROPOSING TWO MAJOR OPTIONS FOR CONSIDERATION TO MAKE EMPLOYMENT AND TRAINING PROGRAMS MORE RESPONSIVE AND EFFECTIVE FOR LOW-INCOME OLDER AMERICANS.

OPTION 1: MAKE GREATER USE OF TITLE V SPONSORS AS A MEANS TO ENROLL MORE ECONOMICALLY DISADVANTAGED PERSONS AGED 55 OR OLDER IN TRAINING PROGRAMS. THE SENATE APPROPRIATIONS COMMITTEE HAS INCLUDED LANGUAGE FOR THIS PURPOSE IN THE MANAGER'S REPORT ACCOMPANYING THE FISCAL YEAR 1989 LABOR-HHS-EDUCATION APPROPRIATIONS ACT. WE SUPPORT THIS RECOMMENDATION AND URGE THAT IT BE FULLY IMPLEMENTED.

OPTION 2: SHIFT FUNDING WHICH NORMALLY WOULD BE PROVIDED FOR THE JTPA THREE PERCENT SETASIDE TO THE SCSEP IF SDAs CONTINUE TO HAVE PROBLEMS IN ENROLLING OLDER AMERICANS IN TRAINING PROGRAMS.

THE ASSOCIATION ALSO FEELS THAT CERTAIN ADMINISTRATIVE CHANGES WOULD ENHANCE THE ALREADY SUCCESSFUL RECORD OF THE TITLE V PROGRAM. WE RECOMMEND THE FOLLOWING IMPROVEMENTS IN THE SCSEP:

(1) FINALIZE THE TITLE V REGULATIONS WHICH WERE LAST PUBLISHED FOR COMMENT IN 1985 AFTER YEARS OF INACTION. THIS IS NECESSARY TO IMPROVE DIRECTION, ENHANCE COHESION OF NATIONAL POLICY, AND PROMOTE PROGRAM STABILITY AND EQUAL TREATMENT OF ALL PROGRAM

PARTICIPANTS, ESPECIALLY THOSE OLDER WORKERS IN GREATEST ECONOMIC AND SOCIAL NEED.

(2) INCLUDE IN THE "EQUITABLE DISTRIBUTION" FORMULA AN UNEMPLOYMENT FACTOR, PARTICULARLY IN AREAS WITH EXCEPTIONALLY HIGH UNEMPLOYMENT OR COMMUNITIES EXPERIENCING MASS LAYOFFS IMPACTING ON OLDER WORKERS. THE UNEMPLOYMENT LEVEL CAN HAVE AN IMPACT ON OTHER FACTORS IN THE FORMULA, AND INCLUDING IT AS A DIRECT FACTOR WOULD MAKE ADMINISTRATION OF THE PROGRAM MORE EFFICIENT, EFFECTIVE, AND RESPONSIVE TO THE LOCAL ECONOMIC ENVIRONMENT.

(3) MAKE APPROPRIATE ADJUSTMENTS IN FUNDING FOR THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM (SCSEP) TO COMPENSATE FOR STATE MINIMUM WAGE INCREASES AND THE LIKELY PROSPECT OF A BOOST IN THE FEDERAL MINIMUM WAGE. WITHOUT AN ADJUSTMENT IN TITLE V FUNDING, SOME LOW-INCOME TITLE V ENROLLEES LOSE THEIR JOBS.

(4) CONDUCT A STUDY TO DETERMINE WHETHER A FORMULA CAN BE DEVELOPED TO PROVIDE APPROPRIATE AND TIMELY ADJUSTMENTS IN PER ENROLLEE COSTS. BEFORE SENATE ACTION ON THE FY 1989 APPROPRIATIONS BILL, THERE HAD BEEN NO ADJUSTMENT IN THE TITLE V (SCSEP) PER ENROLLEE COST SINCE 1981, DESPITE MAJOR INCREASES IN OPERATING COSTS SUCH AS RENT, WORKER'S COMPENSATION, TELEPHONE COSTS AND OTHERS. EXISTING MEASURES USED TO MAKE COST ADJUSTMENTS, SUCH AS THE CONSUMER PRICE INDEX, CLEARLY

HAVE ADVANTAGES OVER THE CURRENT ABSENCE OF ANY ADJUSTMENT FORMULA. HOWEVER, AARP FEELS THAT A STUDY TO ASSESS THE BENEFITS AND DISADVANTAGES OF VARIOUS COST ADJUSTMENT FORMULAS SHOULD PRECEDE THAT SELECTION TO ENSURE COMPATIBILITY WITH THE CHARACTERISTICS OF TITLE V.

OLDER WORKERS' RIGHTS

NEITHER SOCIAL ATTITUDES, NOR EMPLOYER PRACTICES NOR GOVERNMENT PROGRAMS SHOULD PUSH COMPETENT AND EXPERIENCED WORKERS INTO RETIREMENT. GREAT STRIDES HAVE BEEN MADE TO PROTECT OLDER WORKERS' RIGHTS AND ENCOURAGE THEM TO KEEP WORKING -- FOR EXAMPLE, THE ELIMINATION OF MANDATORY RETIREMENT, AND PENSION REFORMS THAT REQUIRE EMPLOYERS TO CONTINUE ACCRUAL OF PENSION BENEFITS FOR OLDER WORKERS AND ALLOW NEWLY-HIRED OLDER WORKERS TO PARTICIPATE IN THE PENSION PLAN. MORE NEEDS TO BE DONE, HOWEVER. THREE ISSUES STAND OUT: THE SOCIAL SECURITY EARNINGS LIMITS; SOCIAL SECURITY'S DELAYED RETIREMENT CREDIT; AND THE WIDESPREAD USE OF EARLY RETIREMENT INCENTIVE PROGRAMS BY EMPLOYERS.

(1) SOCIAL SECURITY EARNINGS LIMIT -- SOCIAL SECURITY LAW LIMITS THE AMOUNT A BENEFICIARY MAY EARN FROM WORKING. IN 1988, BENEFICIARIES BETWEEN AGES 62 AND 64 MAY EARN $6,120 BEFORE A PENALTY KICKS IN; ONE DOLLAR OF BENEFIT IS LOST FOR EVERY TWO DOLLARS EARNED. BY 1990, THIS RATIO WILL BE CHANGED TO ONE-TO-THREE.

IN SIMPLE TERMS, THE EARNINGS LIMIT OBVIOUSLY DOES

NOT ENCOURAGE PEOPLE TO WORK. INDEED, IT WAS ESTABLISHED DURING THE DEPRESSION TO ENCOURAGE OLDER WORKERS TO LEAVE THE LABOR FORCE AT THAT TIME OF HIGH UNEMPLOYMENT. IT IS STILL DOING THAT - BUT TIMES AND THE LABOR MARKET HAVE CHANGED. AARP URGES YOU TO CONSIDER ELIMINATING OR SUBSTANTIALLY MODIFYING THE EARNINGS LIMIT SO AS TO REMOVE THIS PENALTY.

(2) SOCIAL SECURITY DELAYED RETIREMENT CREDIT -- OLDER WORKERS WHO DEFER RECEIVING SOCIAL SECURITY UNTIL THEY RETIRE AT AN AGE OLDER THAN 65 CURRENTLY RECEIVE A THREE PERCENT INCREASE IN BENEFITS FOR EACH YEAR WORKED UP TO AGE 70. THIS CREDIT WILL BE RAISED GRADUALLY TO EIGHT PERCENT BY 2008. THIS HIGHER CREDIT, WHICH MORE ACCURATELY COMPENSATES PEOPLE WHO WORK PAST AGE 65, IS A POWERFUL AND SOMETIMES OVERLOOKED INCENTIVE TO KEEP WORKING. AARP STRONGLY URGES YOU TO CONSIDER A FASTER PHASE-IN OF THE NEW, HIGHER CREDIT.

(3) EARLY RETIREMENT INCENTIVE PROGRAMS EMPLOYERS WHO MUST "DOWNSIZE" OFTEN USE "EXIT INCENTIVES" RATHER THAN MANDATORY LAYOFFS WITH THEIR ACCOMPANYING HARDSHIPS. EMPLOYERS OFTEN STRUCTURE THESE AS EARLY RETIREMENT INCENTIVES, WHICH HAVE BEEN OFFERED TO HUNDREDS OF THOUSANDS OF OLDER WORKERS IN THE PAST DECADE.

THE AGE DISCRIMINATION IN EMPLOYMENT ACT DOES NOT PROHIBIT EARLY RETIREMENT INCENTIVES PER SE. BUT, THESE PROGRAMS MUST BE SCRUTINIZED TO MAKE SURE THEY DO NOT DISCRIMINATE. MORE IMPORTANT, AARP IS SKEPTICAL ABOUT ANY EMPLOYMENT PRACTICE THAT TARGETS OLDER WORKERS AS BEING THE MOST EXPENDABLE.

ONE MUST QUESTION THE WISDOM OF A PRACTICE THAT ENCOURAGES THE MOST EXPERIENCED WORKERS TO LEAVE. CONGRESS AND THE DEPARTMENT OF LABOR HAVE NOT EXPRESSED SUPPORT FOR THESE PROGRAMS. UNFORTUNATELY, THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION HAS -- AT THE EXPENSE OF THE RIGHTS OF OLDER WORKERS AND GOOD LABOR POLICY.

IT IS NOT THE EEOC'S JOB TO MAKE LABOR POLICY -- BUT THAT IS WHAT IT IS DOING. AARP URGES YOU TO CLOSELY EXAMINE THE EEOC'S ACTIONS, AND THE WISDOM OF EARLY RETIREMENT INCENTIVES GENERALLY. A VIABLE ALTERNATIVE EXISTS: EXIT INCENTIVES, OFFERED TO EMPLOYEES REGARDLESS OF THEIR AGE, CAN JUST AS EASILY ACCOMPLISH THE EMPLOYERS' LEGITIMATE ECONOMIC GOALS.

CONCLUSION

AARP BELIEVES OLDER WORKERS MUST PLAY A MAJOR ROLE IN KEEPING AMERICA'S ECONOMY STRONG IN THE FUTURE. IN ORDER TO INSURE THAT, PLANNING MUST BEGIN NOW. THANK YOU AGAIN FOR THIS OPPORTUNITY TO BE A PART OF THE PLANNING PROCESS.

Mr. **Roybal**. Ms. Barbano, I would like to start off the questioning by pointing to what I believe to be any differences of opinion on the part of members of this panel.

For example, Dr. Wolfbein said that training was very essential, but he recommended that training be customized. You, Ms. Barbano, are taking the position that we must improve existing training programs. You went on to add the benefits of the Social Security delayed retirement credit and so forth.

However, Dr. Rix, in her testimony, on page 7, said this: "Employers are not alone in questioning the wisdom of training programs for older workers. Fearing failure or concern about their ability to learn new skills, older workers themselves may be reluctant to ask for or take advantage of training programs."

Now, how widespread is this particular situation, where older workers are reluctant to take advantage of training programs?

Ms. **Barbano**. I don't think that they are all that reluctant to try.

Mr. **Roybal**. All right.

Ms. **Barbano**. I think there has to be some give and take on the part of the employer to recognize the needs of the older person going in. Now, if you go into a job situation and you are not 100 percent physically able, like most of the younger people are, I think it is the role of the employer to offer perhaps part-time jobs, job-sharing, which the seniors would accept.

Instead of working 5 days a week, maybe an older person would prefer 3 days a week. I can give you an example of a few of my friends. I know one lady who is 71 years old, and works full time as a bookkeeper at a job where she cannot ask for a part-time job because her employer says she is needed 5 days a week. She said to me, "I wish I could work half-time and enjoy living, but I can't afford to quit. I cannot live only on Social Security."

I think that if she were to be given a chance of taking a job where she would have to have more training, she would be willing to do that if she could work part-time.

I know another man in the State of New York, a friend of mine. They tried to force him out of his job at age 55 but he wouldn't leave until 62, and they made it very miserable for him. His opinion was that they let him out because he was a supervisor and they can get somebody in at a lower salary. And at 62, he was out of a job.

But if there were some other training sources for the individuals. I think that they could step in and be retrained for some other kind of work.

Mr. **Roybal**. Dr. Rix, again coming back to this statement with regard to the reluctancy of older workers to ask for and take advantage of training programs—

Ms. **Rix**. Many older workers are reluctant to, in part, I think, because the opportunities aren't provided. Employers themselves don't encourage older worker participation in training programs.

Also, the available training literature indicates that training methods may differ for older workers. As I say in my written testimony, older workers' ability to learn does continue well into old age; however, the methods for teaching and learning may be considerably different for older workers. In line with what Dr. Wolfbein said, training programs may have to be customized to meet the learning needs of older workers, who learn better through repetition and relating the tasks that they are learning to their previous experiences.

Mr. **Roybal**. Dr. Rix, what worries me is your statement that there may be some reluctance on the part of the older worker to go into training programs. I don't believe that to be a fact.

What is this based on?

Ms. **Rix**. It was based, for example, on the observation in one recent AARP study that nearly two-thirds of older workers mentioned that an unwillingness to adjust to a changing workforce might encourage or, in fact, propel them into early retirement. That relatively few older workers volunteer for training programs is another indicator.

Research on the Job Training Partnership Act program has indicated that many older workers are indeed reluctant to participate in training programs, according to the National Commission on Employment Policy, older workers prefer alternatives to training.

Earlier research by the Human Resources Research Organization revealed that older workers applying for assistance in employment services offices overwhelmingly preferred assistance with help finding a job; they shunned offers of training assistance.

So I think that there is evidence that older workers, for whatever reason, are reluctant or may have reservations about participating in training programs.

Mr. **Roybal**. Both you and I have used the term "many older workers." What I am trying to establish is—

Ms. **Rix**. A percentage?

Mr. **Roybal**. A percentage.

Ms. **Rix**. I can't give you that; I am sorry.

Mr. **Roybal**. Because by using the term, "many older workers", one goes away with the opinion or idea that this is quite predominant in the senior citizen community. I don't believe that to be a fact. I don't think that an older worker would be reluctant to take training provided it is within his own capability and previous training.

I don't think you can train an older worker to work in the space program, for example, when it requires a completely different set of training techniques. But in general, in preparing an older worker to take either a part-time job or even a full-time job—I still come back to the question, based on my own belief, that an older person is not reluctant to taking training providing it is within his capabilities.

Ms. **Rix**. That raises the question of where the training needs lie, where the manpower needs lie, and how to reconcile some of those new training demands with the fact that many older workers will need a complete retooling.

Mr. **Roybal**. Then we come back, then, to the statement made by Dr. Wolfbein, that the training must be customized. Do you agree with that?

Ms. **Rix**. I think that training ideally would be customized, yes.

Mr. **Roybal**. Ms. Barbano has already stated that she also agrees with that.

Ms. **Barbano**. Mr. Chairman, I believe that there is a reluctance on the part of a lot of seniors regarding the computer field. There is a fear of something of the unknown.

Mr. **Roybal**. Of course.

Ms. **Barbano**. But once they are exposed to it, they change their minds and get into it with both feet. But when first confronted with it, there is a fear there.

Mr. **Roybal**. Yes, I agree.

Mr. Martinez.

Mr. **Martinez**. Thank you, Mr. Chairman.

Let's pursue this issue a little bit because it is something that has intrigued me since I first took over the responsibilities of the Subcommittee on Employment Opportunities. When I first came into Congress, there was a major plant shutdown in my district at Bethlehem Steel, which laid off many people who would be classified as older workers, including World War II vets and Korean War vets, who were already 55 years old. They had no basic skills.

They went into an industry where they didn't need basic skills. They went into an industry that required a lot of tolerance for pain and suffering and they needed a lot of muscle, but they didn't need to exercise their mental capacity to as great extent as a computer operator would, although they had it. They just never were trained because they dropped out of school to join the Army or the Navy or the Marines and go in to fight a war. They were patriotic. Most of these people at Bethlehem Steel were Hispanics and there is nobody who is more proud of his country than is a Hispanic.

So they volunteered at ages of 17 and sometimes even 16 and 15 and 14 to get into the service to fight for their country, not realizing that at some point in time, they would call on their country to fight for them. When they got to the point where there was a plant shutdown like Bethlehem and all these people are now 50, 55 years old without any basic skills, they are reluctant to go into training for high tech jobs.

With the reduction of our basic industries, such as the auto industry and the steel industry what does that leave for unskilled workers, and the prospect of training without basic skills—what does that leave for them?

What they do need is a lot of counseling, which we do not provide. They also need a lot or encouragement, which we do not provide.

It is simply not enough to provide the program and the monies for the service deliverer to train these people because there's a transition period. Even Canada, in developing a policy for handling major plant shutdowns, has realized that a notification period for adequate transition for the worker to look for and receive training for new jobs and to seek counseling is necessary. Canada set up a committee made up of labor representatives and employer representatives that come together to provide for their people. They provide a transition period that gives employees the least traumatic experience in a major plant shutdown. We're still arguing about giving just an adequate notice.

That being the fact, though, I have to agree with Mr. Roybal where he says training has to be customized—it absolutely does. You talked about continuing education, Dr. Rix, I think that continued education must offer the flexibility that would allow a person to move from one job, or the expertise of one job, to the training for another. Mr. Roybal hit on it that most people are reluctant to go into training when it's a completely different from the industry or job they had had before. They can do it, though, if they've had some counseling and advice and some matching up.

This is why I asked the Secretary how she felt about the necessity for private industry to get into the business of providing us with matchups. The successful components of the Job Training Partnership Act are that a council—a private industry council—determines who the service providers are going to be and what kind of training the service providers are going to give.

We've got a start—a nucleus of something that can be expanded to all of our needs, especially in the area of senior citizens, of finding out what jobs and training there is for those jobs for a particular individual. This is the matchup that I'm talking about.

After making that lengthy statement, let me ask the question that I'm getting to. I really want both of you to respond to this question.

Understand that there are many people reluctant to take training, but there are also many people that are willing to take training.

I am concerned about the many that are reluctant, because they give up before they even realize that they can succeed, and we need to do something about that population.

So the question is, what do you see as government and private industry's roles in the mechanism of providing help for these people after a traumatic experience like a major plant shutdown. This applies especially to older workers and older workers who are retired from the job because of their age; and as you said, those who are reluctant to quit jobs because they can't afford to quit because they can't get by on social security. I agree with Matthew Rinaldo when he says that we ought to lift the Social Security cap, a person who's earned their social security right have earned it, they've paid into it, and it's their insurance contract with the government that they should be paid that. I don't think there should be any penalty on how much they can earn. They ought to earn whatever they are entitled to.

The rich person doesn't have to worry about it, but the low-income individual does have to worry about it. But you should look at my district and at some of the senior citizens and what they have to get by on. Some say that Social Security is to help their retirement plan and that social security was never meant to be a full retirement. Well, it was never meant to be, but for some people it is; and they can't get by. And those are the kinds of people that need some training, some education, to get into some jobs.

Getting back to the question: what does the government and the private sector have to do to establish policies that will take us in the direction of providing the workforce with the training and education that they need for the workforce that exists, and the one that will exist in the future?

Ms. **Barbano.** I just learned that AARP sponsored a Conference on Minority Elderly that looked at income needs last week in St. Louis. One researcher presented evidence that older minority workers, especially Indians in this instance, were eager to be retrained, and each graduated from the retraining program.

Customizing is frequently necessary because we must build on what we know and what is familiar. But we must not assume the older worker is reluctant to be trained or retrained at all. So this just happened last week.

Mr. **Martinez**. That was a study, you say, that showed that?

Ms. **Barbano**. They had a Conference on Minority Older Persons and Income Needs in St. Louis.

Mr. **Martinez**. And the evidence for that statement was provided there?

Ms. **Rix**. That's right, yes, sir.

Mr. **Martinez**. Can the subcommittee get a copy of that?

Ms. **Barbano**. Yes, we will get it for you.

Mr. **Martinez**. I appreciate that very much. Thank you. Dr. Rix?

Ms. **Rix**. There is a mechanism in place to assist the very workers you are talking about, and that is the Job Training Partnership Act. But I think we have to ask, why is it that older workers are underrepresented, particularly in the dislocated worker programs? And the GAO did determine that, in one of its recent studies.

I recommended in my written testimony that Congress examine or address a number of questions, such as what efforts are being made to attract older workers to JTPA programs?

What types of training do older workers want?

What exactly are participants being trained for?

To what extent are they being trained for employment in growth industries in jobs reflecting the use of new technological skills, which is what the law specified?

What types of training programs work best, and under what circumstances?

Program administrators themselves, according to the JTPA study by GAO and according to a study of experimental programs under the SCSEP program, have reservations about the value of training older workers; they feel that employers are not going to hire such workers.

We might want to take a look at what can be done to change those attitudes. If the program administrators themselves aren't making an all-out effort to retrain, then I'm not sure what we can expect of the private sector when confronted with older workers.

To get back to the issue of customized versus general training, I don't think that they are inconsistent or incompatible. I think that if we did expose workers continuously to change throughout life, they would be more adaptable, better prepared to assume roles in specialized training programs as industry decides what it is going to need in specific locales throughout the rest of the century and well into the future.

There's a place for both. We obviously want to focus efforts on the unemployed, untrained, low income population—those people who need to work; they are one problem. The policies and programs that may meet the needs of other workers are not necessarily those best suited to that group.

If funds were limitless, one of my recommendations would be for more money for the Job Training Partnership Act.

Mr. **Martinez**. I agree with you.

Thank you, Mr. Chairman.

Mr. ROYBAL. I would like to thank Dr. Rix and Ms. Barbano for your testimony. Should we have any further questions, we would like to submit them in writing and have you respond accordingly.

Ms. RIX. Thank you.

Mr. ROYBAL. Thank you. The Chair now recognizes the last panel: Dr. Daniel Thursz, Mr. Vicente Pichardo, and Jessie G. Reyes.

STATEMENT OF DR. DANIEL THURSZ, PRESIDENT, THE NATIONAL COUNCIL ON THE AGING, INC. WASHINGTON, DC

Dr. THURSZ. Mr. Chairman, my name is Dr. Daniel Thursz, and I am the President of The National Council on the Aging. I am fully aware of the time that is elapsing quickly, and with your permission, rather than summarize even my testimony, I will submit my written testimony for the record. It contains valuable suggestions on how to solve all the problems that the committee faces. I would be glad to answer any questions you may have in writing.

I think I can best use my time simply by indicating that as we celebrate National Hispanic Week, The National Council on the Aging is celebrating 20 years of our administration of one of the major national components of the Senior Community Service Employment Program of Title V of the Older American Act.

I am accompanied this morning by some 63 project directors who have gathered from all parts of the United States to listen to your committee's very informative hearing and to participate in additional training during the balance of this week. So with your permission, I will simply, with pride, introduce to the committee two of our most active participants and colleagues from the Los Angeles SCSEP program administered by The National Council on the Aging. You can always get me back in Washington—they are representative of grass roots and I think it's important for this committee to hear them.

They are Mrs. Jessie Reyes, who is one of our many success stories. At age 70, she is Assistant Case Manager with the International Institute. She moved to this job after an extended employment in training experience with the Los Angeles SCSEP.

To my right is Vicente Pichardo, who is Director of the Nutrition and Health for Older Adults Program of the Los Angeles Unified School District. For the past 20 years, he has been an active supervisor for scores of workers assigned to his agency by SCSEP of NCOA. So with your permission, I will turn my testimony over.

Mr. ROYBAL. Dr. Thursz, your entire written testimony will appear in the record.

(The prepared statement of Mr. Thursz follows:)

NCOA
THE NATIONAL COUNCIL ON THE AGING, INC.
Since 1950 working to improve the lives of older Americans
600 MARYLAND AVE. SW • WEST WING 100 • WASHINGTON, DC 20024 • TELEPHONE (202) 479-1200

THE CURRENT AND FUTURE NEEDS OF OLDER WORKERS

TESTIMONY OF
Dr. Daniel Thursz
President
The National Council on the Aging, Inc.

Before the

Subcommittee on Employment Opportunities
House Committee on Education and Labor

And the

House Select Committee on Aging

Washington, D. C.

September 14, 1988

[illegible] Frank Freeman, Esq.
[illegible] Charles Schottland
[illegible]
[illegible] Dr. Daniel Thursz, ACSW [illegible]
[illegible] Dr. Daniel Thursz, ACSW

My name is Dr. Daniel Thursz, and I am President of The National Council on the Aging. NCOA is a private non-profit organization working to help meet the current and changing needs of all older persons, and to tap the vast resource they can offer the nation. We are a resource for program development, research, training, technical assistance and publications on all aspects of aging.

Chairman Roybal and Chairman Martinez, and distinguished members of the committees, I am pleased to present our thoughts and recommendations regarding the aging of the American workforce and what we should be doing about it.

This hearing is being held as the nation marks Hispanic Heritage Week and as The National Council on the Aging celebrates the 20th anniversary of our administration of one of the major national components of the Senior Community Service Employment Program, Title V of the Older Americans Act.

We of NCOA believe that this conjunction of a review of public policy affecting older workers together with an assessment of the progress of older Hispanic workers is exactly in order. It allows me to introduce to the Committees, my colleagues on this panel, Mrs. Jessie Reyes and Mr. Vincente Pichardo. They will provide you with concrete information on the initiatives of the Hispanic community to respond to the employment needs of older persons from the vantage points of both workers and employers.

This hearing will also afford us with the opportunity to suggest some approaches to the needs older Hispanic and other workers in the context of wider public policy issues.

Other witnesses at this hearing have already reviewed some of the literature and data describing the demographics of the nation and the workplace. I will try not to rehash the more obvious findings.

I should say for the record that NCOA has been engaged in expanding employment and training opportunities for older Americans for almost forty years.

From our founding in 1950, NCOA has held that work is no less important for mature and older workers than it is for the young. Work is a key to our sense of self and our struggle to contribute to our families and our communities through our skills and our energies.

To express this value, NCOA has engaged in scores of employment, training, economic development, counseling and assessment and vocational education programs across the nation. We have been in the forefront of developing and disseminating a system of functional assessment of middle-aged and older job seekers and matching these qualifications with employer needs.

We were among the earliest supporters of the Age Discrimination in Employment Act, and we have worked for the passage of complimentary legislation in the states.

Until 1984, we published the only journal specializing on older workers, **Aging and Work**, and we expect to resume publication in the future. Currently, NCOA administers the Prime Time Productivity Program, under a major grant from the Department of Labor. The Prime Time Program is assisting the business and training community to effectively utilize older workers. We publish a technical newsletter, **Aging Workforce**, which explores innovative corporate and public policy responses to the needs and potentials of America's mature and older workers.

We also administer one of the larger Title V national programs providing work and training opportunities to nearly 10,000 older workers annually in 63 project in 21 states. Incidentally, Hispanic workers are participating in most of our local NCOA Title V programs. And, Mr. Chairmen, almost all of our Title V programs have working agreements with their Job Training Partnership Act state and local counterparts.

So, the discovery by the popular press of the "graying of the workforce" does not take us by surprise. Three years ago, at a hearing of this House Committee on Aging, we helped to identify the trade deficit and widespread plant closings and manufacturing cutbacks as especially damaging to middle-aged and older workers. That hearing was keyed to Bureau of Labor Statistics analysis of the problems of the millions of dislocated workers who lost their jobs between 1979 and 1984.

Martin Zeigler, Deputy Associate Commissioner of the Bureau of Labor Statistics, noted that:

> "About 60 percent of the entire universe of 5.1 million displaced workers had become reemployed by January 1984. About 25 percent were unemployed when surveyed and the balance had left the labor force -- that is, they were neither working, nor looking for work. The situation for the older displaced workers was very different. Among the 750,000 in ages 55 to 64 years, only two-fifths were working again at the time of the survey. Almost one-third were unemployed -- the highest proportion of any age group studied. Over one-fourth were no longer in the labor force. Among the 190,000 displaced workers 65 years and

> over, only one-fifth were working again in January 1984, just over a tenth were unemployed and two-thirds were out of the labor force."

At the same hearing, Commissioner Zeigler pointed out that:

> "Research done at the BLS using these data show that unemployed men age 55 and over are considerably more likely than younger men to end a period of unemployment by leaving the labor force rather than by finding a job ... For persons who are displaced from long-term jobs, withdrawal from the job market also may be less a matter of choice than a necessary response to a poor job outlook or failed job search.
>
> We do know that older persons make up a sizeable share of displaced workers and that, as a group, they do relatively poorly in terms of the probability of future employment."

And, while the overall employment picture has clearly improved, the deep problems of older workers persist. BLS reports that in 1986, older men still had the longest periods of unemployment. Men 35-44 years old averaged 21 weeks, 45-54 years old averaged 24 weeks, and those 55-64 years old averaged 27 weeks.

At that same hearing, one of the few conducted by the Congress on this critical subject in recent years, my predecessor as NCOA President, Jack Ossofsky, also testified.

He suggested that this new group of older unemployed workers, together with the "hidden" discouraged older workers, may constitute, "the profile of the older poor of the 1990s and the early 21st century." He showed that they tend to lose their health insurance and use up their savings, experience a higher incidence of health problems, may fail to become vested in a pension and will probably opt for lower Social Security benefits.

Mr. Ossofsky pointed out that:

> "In the near future, the states which have experienced the greatest job dislocations of older workers over the past ten years will be the sites of increased pressures on SSI payments, Medicaid, assisted housing and many other income and service supports needed by dependent older persons."

We believe that public policy must still address those lasting results of recent unemployment cycles. We also believe that the nation must simultaneously address the current pattern of tight labor markets. The challenge is how we can translate the current short-term positive job prospects for mature and older workers into more permanent employment opportunity structures that will last beyond this business cycle.

As has been noted by one national labor force expert:

> "While we cannot create more 15 year olds (it is too late to do that for the near future's labor force), it may be

possible to meet some of the impending shortages through new policies for better and expanded utilization of older workers now and over the next two decades."

What this boils down to is a two pronged approach:

1. How do we design public and private policies and incentives to keep more people at work longer?
2. How can we reemploy mature and older unemployed workers and employ older new entrants or reentrants to the labor force such as displaced homemakers?

As an overlay to these approaches, we must also treat the labor market and social needs of those older workers who may be disadvantaged as a consequence of income, lack of skills, lack of education, illiteracy and/or lack of English, health and disability problems.

I wish that I could report that American business has read the demographic charts and has endorsed the kind of positive response that Secretary McLaughlin and each member of these Committees would welcome. But, alas, such a report is yet to be written.

Recently, the American Society of Personnel Administrators (ASPA) and Commerce Clearing House (CCH) published a survey of human resource managers on the subject of "Managing the Aging

Work Force." This 1988 ASPA/CCH Survey was designed to "focus directly on the performance and career management problems created by an aging work force." The survey results was headlined, "Survey finds few companies addressing senior employee career problems."

Among the survey findings were:

- "Reaction to senior employee career problems is slow."
- "Career problems affect more than the performance and morale of senior employees. There is a spill-over affect to coworkers and customers."
- "Fewer than 10 percent of the organizations reported the use of policies designed to accommodate the special needs of older employees who want to stay on the job on either a full-time or part-time basis. Most companies do not allow a phase-in of retirement."

The human resource managers representing a cross section of 600 companies identified what is needed to help keep older persons in the job longer. They saw a growing need for effective career path planning, training opportunities for mature and older employees, flexible job assignments and transfers together with job redesign.

But in almost 80 percent of the companies, these policies were missing. And, it was not NCOA who said so but the human resource managers of these same companies.

There is other data indicating the same lack of enlightened policies. A survey by the Conference Board of company personnel directors showed more than 70 percent of the surveyed firms have "early out" pension incentives and less than 15 percent of companies have positive programs to keep employees on the job longer.

Age Discrimination in Employment Act complaints to the Equal Employment Opportunity Commission continue to be the fastest growing category of Federal job discrimination actions.

The positive responses of such companies as The Travelers Insurance Company appear to remain the exception to the rule. I have attached to this testimony a brief description of The Travelers older worker program as reported in our Aging Workforce issue of June 1988. I believe that it exemplifies many of the elements of what good corporate policy should contain. It directs its assistance and attention to workers' needs at every stage of their job careers, even beyond retirement. This "lifelong" approach is the sensible response to job requirements that are changing so rapidly that almost all categories of workers are increasingly threatened with obsolescence. It utilizes retirees without reducing pension rights and payments. It provides training to retirees which can be utilized for jobs beyond those with Travelers.

I suggest that the majority of companies which find it difficult, if not impossible, to retain and advance their mature employees must, inevitably, be practicing the same standards at the other end of the job continuum -- hiring. That reality, job discrimination against older workers, is faced by tens of thousands of "overqualified" unemployed persons every day.

We have all been shocked by the EEOC admission that it neglected to process ADEA complaints by the thousands. It is not strange that such ADEA complaints have often been classified as "difficult to prove" and "too subtle" when the victimized cannot even have their claims administratively processed.

Given the demographics, the stubborn facts of market policy, the widescale ignorance regarding older worker productivity and costs and the relative lack of program tools, what should be our priorities? Allow me to suggest some steps.

1. I suggest that the Congress consider a marked increase in the Title V program of at least 50 percent above current levels. We can currently serve only 1 percent of the

eligibles. With a 50 percent increase we could expand our activities and turn some resources to assist in the design of more on-the-job programs with private employers. It is company policy that we have to change and not just relieve current worker shortage problems. Direct company initiatives, such as Section 502 on-the-job projects, will have a better chance of affecting company practice and policy for the longer term.

2. As NCOA has suggested before, Federal law should mandate joint planning requirements at the state level for the administration of Title V, JTPA Title II-B, the new worker readjustment assistance program, adult and vocational education, trade adjustment assistance and vocational rehabilitation. We should have an annual or biannual state older worker plan and program that weaves these statutes into a pattern of targeted and flexible services to older workers of all income levels. I would leave the planning responsibilities to the states under Federal standards encouraging integrated administration.

3. We recommend that the Congress initiate a major examination of the private pension system not only in regard to reversion and overfunding but also the coercive aspects of many "voluntary" early out plans.

4. The Congress should consider, early in the next session, whether EEOC should continue to enforce the ADEA, even under new leadership. Some of my colleagues suggest that the

pros and cons of taking enforcement from the Department of Labor are much clearer now. The cons have predominated and thousands of citizens have had their rights violated as a consequence of the non-feasance of EEOC.

5. Accurate information of older worker productivity and employment costs has got to be circulated to business, trade unions, educators, the press and the public. Stereotyping of mature and older workers as less efficient, inflexible, unhealthy and unteacheable still appears to be the dominant posture of personnel administration.

6. Adult education and literacy assistance for older adults working or seeking work should be upgraded. English language training of large numbers of non-English speaking older citizens is even more strained because of the increases in Hispanic, Asian and other immigration groups.

7. Social Security payments will be increased to reward delayed retirement. The current bonus of 3 percent does not reflect the true savings to Social Security of such delayed retirement. We do not see why the final increase to 8 percent should be delayed to the year 2008. We urge that the increase be telescoped into the next five years as a major incentive to continued worklife. We also urge that the Congress resonsider

the 1983 decision to push back the age for full Social Security benefits to age 67. We don't think that the evidence shows that the increased benefit penalties at ages 62-66 will provide incentives to remain in the workforce. We believe the delayed benefits will tend to discriminate against those in stressful and physical occupations and those with disabilities who will still be forced to retire early.

8. We have got to build flexibility into the workplace for all workers. We can do that with lifelong training, periodic assessments which can lead to new challenges and assignments, retirement experimentation including phased or trial retirement and effective pension portability.

For example, NCOA offers a retirement preparation program. We don't like to offer it a few months or even a year before the expected retirement date. We see retirement preparation as a complex process of preparation for choices over many years and not as a sudden severing of contact with the workplace.

9. The Federal government should be aggressively promoting job redesign techniques to assist persons with mild to significant physical or mental limitations to continue at, or return to, productive work.

I should note that few of these recommendations will aid older workers exclusively. They add up to sensible labor market policies of benefit to all concerned -- young and older workers, employers, union representatives and benefits managers and planners. In short, good policy for older workers adds up to good policy for all.

Chairman Roybal and Chairman Martinez, that concludes my remarks on the state of older workers and our summary recommendations for public and private sector response. I would be pleased to answer your questions.

With your permission, it is now my pleasure to acknowledge the presence here today of four community agency directors who are twenty-year partners with NCOA and the Department of Labor in the Senior Community Service Employment Program. They are Joe C. Thomas of the Economic Opportunity Council of San Francisco, California; Bill May of the Big Sandy Area Community Action Program, Paintsville, Kentucky; Albert Robinson, United Progress, Incorporated, Trenton, New Jersey; and Gene Tankersley of the Southwestern Community Action Council, Huntington, West Virginia.

For the past twenty years, these community action agencies have provided continuous services to older workers through Title V and its predecessors. They are the remaining four from among the original ten agencies with whom NCOA launched its SCSEP program twenty years ago.

I would now like to introduce to the Committees two of our more active participants and colleagues from the Los Angeles SCSEP program administered by NCOA.

Mrs. Jessie Reyes is one of many success stories. At 70 she is an Assistant Case Manager with the International Institute. She moved to this job after an extended employment and training experience with the Los Angeles SCSEP.

Vicente Pichardo is Director of the Nutrition and Health for Older Adults program of the Los Angeles Unified School District. For the past twenty years, he has been an active supervisor for scores of workers assigned to his agency by SCSEP.

I trust that both witnesses will bring to the attention of the Committees a clear picture of the problems faced by Hispanic workers in the 1980's labor market. More importantly, they will demonstrate that programs such as SCSEP can provide efficient resources to meet and overcome such problems and help to direct older workers' talents and energies toward decent and rewarding work.

Thank you.

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THE AGING WORKFORCE is a new quarterly publication of Prime Time Productivity, sponsored by The National Council on the Aging, Inc. This issue brings you the current thinking of leading corporate managers and other experts on how to utilize middle aged and older workers effectively. For information on how to subscribe to *THE AGING WORKFORCE*, contact NCOA, Prime Time Productivity, 600 Maryland Avenue SW, Washington, DC 20024, or call 202/479-1200.

In This Issue

Special Contributors

- **Richard Taylor:** How a leading home center chain rebuilt jobs for older workers. Page 1.
- **Robert Fenn:** Training executive of The Travelers tells why and how the company benefits from lifelong training. Page 1.
- **Lee Dukes:** Tips from Campbell's expert on worksite wellness programs for older adults. Page 2.
- **Leon Warshaw:** Head of New York business coalition advocates for employee eldercare relief. Page 4.
- **Dallas Salisbury:** Realities about pension portability. Page 6.
- **Other features:** NCOA announces Award for Corporate Excellence; Prime Time Productivity seminars; NCOA resources for businesses.

Builders Emporium Tailors Jobs to Older Worker Strengths

—Guest Author RICHARD TAYLOR

Photo by Builders Emporium

To survive in the world of retail, a business must be more than competitive—it has to offer its customers something different, something new. In the case of Builders Emporium, a California-based home center chain, that something new is the older worker.

Since Builders Emporium opened its doors in 1946, its commitment to customer service has provided the means by which the company has grown from just one store in California to more than 120 stores throughout five western states. Its customers have come to expect knowledgeable, courteous salespeople who have the ability to answer any question they may get about do-it-yourself projects. No wonder Builders Emporium, with its reputation as the industry leader in customer service, gives high priority to the selection and training of the company's associates.

However, in the early 1980s, Builders Emporium experienced the effect of a diminishing workforce between the ages of 18 and 24 and a tightening of the home center market. The combination of these two factors threatened the company's superior customer service level and prompted upper management to take a hard look at

See BUILDERS EMPORIUM, Page 8

At The Travelers, "Lifelong Learning" Extends Even Beyond Retirement

—Guest Author ROBERT FENN

The impact of the information age and of changing demographics is convincing human resource managers to extend retraining programs to reach all levels of employees in all types of jobs. At The Travelers, significant investment in training has taken place in the past few years, and the company is developing an array of programs for employees in every stage of their careers—even post retirement.

In the financial services industry, where gathering, retrieving, and using information are key to success, comprehensive training is of utmost importance. Workers of all ages continually need to adapt to and master the information explosion that is changing the way we do business. As a result, companies such as The Travelers adopt the goal of "lifelong learning" and provide employees with opportunities to update and expand their skills as they progress through their careers.

See TRAVELERS, page 4

TRAVELERS, from page 1

Robert Fenn

Trends Reinforce the Need for Retraining

The insurance industry was one of the first to employ computers to manage its vast banks of information and large numbers of transactions. In the early years, computers were primarily used for "back office" functions—such as accounting and billing. When personal computers and cost-effective communications equipment were introduced, automation was brought to every function of the company, from underwriting to marketing and product distribution. These technologies change the fundamentals of jobs, making retraining necessary even in such areas as product support and employee supervision.

While retraining is important because of rapidly changing technology, it is doubly critical because of trends in the workforce. The number of middle-aged and older workers is growing, and there are fewer young people entering the workforce. Companies of the future will depend on an older workforce whose skills will need to be periodically updated.

Another trend that will boost the need for retraining is the return of retirees into the workforce. While retirees bring an unmatched source of experience, there can be a gap between the skills they used during their careers and those needed in the office today. Along with members of the conventional workforce, these people need exposure to new technologies and developments in business.

Travelers Responds with a Continuum of Training

Two years ago, The Travelers opened a $20 million Education Center. Though the company has trained its employees since the beginning of the century, investment in a new facility represented an intensified commitment to retraining. The company broadened its comprehensive approach to education, offering courses appropriate to all levels of employees and pertaining to all types of knowledge—technical, managerial, product-related, and interpersonal.

"Lifelong learning" is the purpose of the Education Center, and it is exemplified in its flagship program, the "Management Development Continuum." Designed to take a potential manager through a 27-year career with the company, the program begins with classes for pre-supervisory employees and progresses up to training for vice presidents. On all levels, there are components for managing technology as well as human resources.

Workers of all ages continually need to master the information explosion that is changing the way we do business.

This continuum of training is not limited to management. A full array of training programs is offered to enhance all types of employees' abilities to do their jobs better and to pursue their own career objectives. From simple, self-paced word processing tutorials to week-long courses on operating computer networks, programs in the Education Center are available to employees who need, or simply wish, to expand their skills.

Retirees Benefit from Retraining

Offering training to full-time employees is not new or original, but, retraining retirees is. The Travelers was one of the first companies to bring retirees back into the the workforce, so it follows we were also early to recognize and pursue the need to retrain some of those returning.

Since 1981, The Travelers has provided part-time work and temporary jobs to retirees through our Retiree Job Bank. The Job Bank has been an unqualified success because it brings experienced, reliable temporaries into the company in a cost-effective manner. In its seven-year history, the Job Bank has grown to include both Travelers and non-Travelers retirees. Currently it has 750 members filling 60 percent of the temporary jobs at the company.

Companies of the future will depend on older workers and retirees—whose skills need to be updated periodically.

The primary factor that has prevented the Job Bank from growing even more is the need for retraining. Since many of the people in the Job Bank retired before the advent of personal computers, they are not familiar with the equipment that is now required for many of the temporary job openings. However, the lack of exposure does not mean that the retirees lack the interest in or the ability to master the new equipment. A survey of Job Bank retirees showed that 65 percent of those with at least typing skills were interested in further training on computers. To satisfy the interest, the computer literacy course and other software training classes were opened to Job Bank retirees, and the retirees were offered paid time to enroll. Currently, about 100 retirees in the Job Bank have computer skills and the number will grow.

Retraining will continue to be an integral part of The Travelers' strategy for meeting human resource needs. Full-time employees will enroll in training at various stages in their careers to keep them current on the latest developments. Retirees working on a part-time or temporary basis will also receive retraining so that they can fill a wider variety of jobs. By investing in education, The Travelers is prepared to meet the progress of technology and the resulting changes in the nature of our business. ■

Robert Fenn is National Director of Training, The Travelers Companies.

Mr. ROYBAL. The Chair now recognizes Mr. Vicente Pichardo.

STATEMENT OF VICENTE PICHARDO, DIRECTOR, NUTRITION AND HEALTH FOR OLDER ADULTS PROGRAM, LOS ANGELES UNIFIED SCHOOL DISTRICT

Mr. PICHARDO. Mr. Roybal, Mr. Martinez, and committee and subcommittee members, thank you for inviting me here today. It is an honor and a pleasure to speak to you about my experience with the federally-funded programs for older adults.

My name is Vicente Pichardo and I am the Director of the Nutrition and Health for Older Adults Program for the City of Los Angeles and the county. For the past 20 years I have been involved with programs for older adults, and during the entire time have been a worksite supervisor for enrollees from the National Council on Aging's Title V Senior Community Service Employment Program. Starting with a Model Cities Program in 1968, and continuing today with a Title III of the Older Americans Act funded program, I have been keenly aware of the continuing contributions which older workers can and do make.

Each year an average of 10 Title V enrollees are placed, by The National Council on Aging, at sites for which I am responsible. In addition to receiving good, sold on the-job-training, I make sure that they also have the opportunity to develop their full potential. I would like to describe some of the ways in which I work with the Title V enrollees assigned to my sites.

Some of the older persons coming into the program are monolingual, which severely hampers their job prospects. At the same time, there are jobs in some locations where English is not required. We place these enrollees in settings where they do not need to speak English, and concurrently work with them on developing English language and other skills.

We provide leadership training for older persons to build confidence and self esteem. This is particularly crucial for the non-English speaking workers. We utilize persons who have been through the training previously to serve as role models.

We conduct mock interviews with enrollees to help them feel comfortable when applying for jobs outside of the Title V program. We also make them aware of permanent job openings within the school district and the community as a whole. We are proud of our record for hiring Title V enrollees at the school district as senior citizen meal program supervisors, nutrition site managers, clerical workers, drivers, information and referral aides, and cafeteria workers.

We provide assistance to The National Council on Aging in recruiting Hispanics for the Title V program. The school district's programs operate in all parts of the county and we help to assure that persons working in the minority community are able to relate to the community's residents.

As an educator, I feel that everything which occurs in a person's life is a part of the educational process. This is why I am committed to helping train older workers to realize their full potential.

You asked me to address program areas that could be expanded, particularly as they relate to the Hispanic older workers, and I offer these suggestions:

All older worker programs should include an education and training component This is one way of helping people to help themselves so that they can better serve others.

The programs should have a good preplacement assessment system. This will help the program operators make sound decisions on appropriate job or training sites for participants. Program enrollees should be in settings where they fit in and are allowed to grow and develop.

Job and training sites should be required to provide program participants with job-seeking and job-keeping skills.

Program operators should actively involve minorities in planning and implementing programs which affect the minority community.

I would like to conclude by saying that for the 20 years of my involvement with The National Council on Aging's Senior Community Service Employment Program, I have always had an excellent working relationship with the Los Angeles based staff. I have also watched NCOA develop an ever-increasing sensitivity to meeting the needs of minority older workers. They have an excellent racially and ethnically diverse staff in their Los Angeles operations. Older persons from all backgrounds feel comfortable in visiting The National Council on Aging's offices, where 17 different languages are spoken.

Again, thank you for inviting me here today.

Mr. Roybal. Thank you, Mr. Pichardo. The Chair now recognizes Mrs. Reyes.

STATEMENT OF JESSIE G. REYES, ASSISTANT CASE MANAGER, INTERTNATIONAL INSTITUTE, LOS ANGELES, CA

Mrs. Reyes. Mr. Roybal, Mr. Martinez, and committee members, my name is Jessie Reyes. Thank you for inviting me here today. I am 70 years old and work as an Assistant Case Manager at the International Institute in Los Angeles, California. I work 30 hours a week for $5.12 an hour. My salary is paid by funds in the Older Americans Act Title III B program.

This job means a lot to me and has made a big difference in my life. This is the first time in all of my years of work that I have been paid above the minimum wage.

I have been a widow for the last 25 years. I have worked as a salesgirl at a department store, in a manufacturing plant, and as a sewer in the garment district. These jobs paid the minimum wage with little or no benefits at all. I am sure you can imagine how difficult it is to make ends meet at my age with little money. My transportation cost to and from work would just about take my first hour of wages.

I have always wanted to upgrade my skills and learn new ones to get a better paying job. About 4 years ago, I saw an ad in the newspaper about NCOA's Senior Community Service Employment Program. I contacted the office and within a short period of time was placed in the International Institute as a Nutrition Aide. In time I showed interest in clerical work. NCOA enrolled me in a class at an Occupational Center to learn typing, spelling, grammar, filing, et cetera. I did well in the classes and became confident that I could successfully do clerical work. When an opening was available, they transferred to do clerical work in the Personnel section of the NCOA Los Angeles Office to get more experience.

My employment was cut short. I had to take care of my mother in Mexico who was very sick and soon passed away.

Since I had to leave the job, my position in the NCOA office was filled by another older worker. When I came back from Mexico, I was placed back at the Institute and in 2 months they hired me as an Assistant Case Manager. I was never so happy in all of my life. Finally I have a good paying job, doing work that I like to do, and helping people in my community. Maybe I should tell you a little about the program that I work at. We run nutrition programs for older people; we provide health and other counseling services for people of all ages, and immigration assistance services. It is sort of like a settlement house in the Hispanic community of Boyle Heights of Los Angeles.

I am an entirely different person from when I started the Senior Community Service Employment Program. The NCOA counselors helped me to look at myself differently. I gained a lot of self-confidence and a realistic view of the world of work. The classes were helpful in upgrading my skills and learning new ones, and it was really great being in classes with many people of different backgrounds learning new skills. My experience as an enrollee was the most beneficial. I learned so much about communicating with co-workers, office procedures, dealing with the public, the importance of maintaining a good appearance, and a lot more. These may seem like small things to you but they have made a big difference in my work life.

In addition to my duties as an Assistant Case Manager, I sometimes fill in as a receptionist, write reports, also arrange and conduct tours for the seniors in my community. I enjoy my work and feel productive as an employee. I'd like to continue to work as long as my health allows and to be a responsible taxpaying citizen in my community. I am not alone, there are more like myself across the Nation who are now working full and part-time jobs as a result of the Senior Community Service Employment Program.

I have a few suggestions that I'd like to mention as to how the Federal Government can improve current employment programs and make them more responsive to the Hispanic older worker.

They can make more money available for programs like this. Many more older persons can be helped with jobs and training, and many agencies in the community need the help of older workers.

The NCOA program has staff that speaks both English and Spanish. This is good for elderly Hispanics with limited English. Programs in areas where there are many Spanish-speaking older workers should have staff like NCOA's.

The extra training that I received through the NCOA program helped me be where I am today. I think all programs should have education as a part of them. This helps the older persons learn new skills and advance to other jobs.

Thank you very much for allowing me to speak to you today.

Mr. ROYBAL. Thank you, Mrs. Reyes.

I would like to compliment Mr. Pichardo and Mrs. Reyes for excellent testimony; and you, Dr. Thursz, for the assistance that you have given in the program as a whole; but particularly these two individuals who are before the committee today.

My question is probably repetitious, because I still want to go back to this particular matter of attitude on the part of senior citizens, or alleged attitude.

Mr. Pichardo has said that as an educator, he feels that everything which occurs in a person's life is part of the education process. We agree with that. He has also said that training program enrollees should be in a setting where they fit in and are allowed to grow and develop.

Again, coming back to the one question that bothers me. If senior citizens had the opportunity to participate in a program, and were allowed to grow and develop, would one find a reluctance on the part of senior citizens to participate in such programs?

Dr. **Thursz**. Mr. Chairman, if I may begin the answer—old people are people, and it's very hard to generalize about the entire spectrum of people that are above the age of 55 or 60, or 65. You will find people who are reluctant and you will find people who are most eager to participate in training. That's why we have difficulty in answering the question globally.

For myself, I must say to you that my experience suggests that most old people are looking for significance in their lives. They are looking for dignity and for a sense of belonging. That is achieved for many people by work, and work, therefore, takes on a special symbolic importance. If you are working, you're part of society, and you are participating, and you have significance.

If you are not working, for most old people, it is equal to being taken out of society into a reservation, or camp of some kind. Some people have called it more dramatically a "living death." So for most people, work is crucial.

I share with the Secretary the view that it's important to have choices in life. I again emphasize the danger of generalizing too quickly to a whole population. But my own view is that work training provided carefully in a way that it is perceived as relevant, as important, as having a payoff, will be accepted by most old people.

Mr. **Roybal**. Mr. Pichardo, do you have anything to add to that?

Mr. **Pichardo**. Yes, I think that nobody that I have ever worked with in Los Angeles and says he has a job, and they are misplaced by another and they're looking for work at 55 or over—if there's a job, they want to work. But when it comes to going into another area that they have not worked—let's say if it was a truck driver, and all of a sudden there was no jobs for truck drivers. I take the example of myself. I went to the sixth grade of school and then went to high school. When I went to college—I was very reluctant to go to college. It was not because I didn't think I could do it; it was just that I didn't feel comfortable, I didn't feel that the environment was sound. I just didn't feel right.

So I feel that the training that they're talking about has to be—if you have an espano trainer, and you have an espano group, and the people once in a while explain something in Spanish, it makes you very much part of the learning.

So what I'm saying is that I think they're not reluctant to go into training programs but they do have think before they go into training, to develop a self-esteem, a self-confidence that they are able to do it. When you are going to compete in a society in which you've never competed before, I think you have to feel confidence. I told my child's teacher when she went to kindergarten, if you do anything for my child, teach her how to feel good about herself.

I think we're saying that in a minority group like the espano, although we're all different in many ways, we still feel alienated to many things in the American society. We talk today about jobs for the older worker, but what do you hear from the gangs in Los Angeles? They want jobs.

So I think that the job training program that The National Council on Aging and all the other programs in the United States demonstrate that if a person drops out of school he still can be retrained to another job. You say that they're reluctant going to jobs. I don't think they are, but I think they have to have the environment and the setting that will make them feel comfortable to learn.

How would you like to go to a job and train if you don't learn anything? Now, you have to feel confident that you're going to be able to get a job because some of the Federal Government and other agencies have to test the older worker for a job.

Let me give you an example. In the school district we had a program where you have older persons in a site in East Los Angeles. Now, everybody there speaks nothing but Spanish—everybody, all the older persons. When the Personnel Commission came to the site and they saw that the persons were very limited in English, they developed a classification called Senior Citizen, male supervisors, Spanish language only. This gave the opportunity for the English-speaking and the Spanish-speaking. They took a bilingual test. They limited it with English. But the person got the job because he could do the job. In that center, everybody speaks Spanish. They don't need English, through they want to speak English and know enough English to communicate.

I think there's a lot of things that private industry and others can do to provide jobs. The Civil Service and everything like that has to open up some way to recruit more older workers in these programs. A lot of people say, oh, it's a test; I don't want to apply for that job. There's something about tests that turns off people—but we have to train older persons to be able to take jobs in the Post Office, for instance. You can train people to come to these jobs. So I think they do need training.

Mr. Roybal. Thank you.

I think I must clarify this one point, and that is that Dr. Rix did not say that this reluctance is "predominant" in the senior citizen community. But she and I both used the term "most". And most to me is the majority. That's why I'm pursuing this. Now, Dr. Rix was very, very careful in following up that particular remark with certain facts.

I'm interested in this particular situation. I, for example, have accounting training. If I were to retire tomorrow, and I wanted part-time work, I couldn't hold an accounting job today. But if I were trained, or retrained, I think I can do some of the accounting procedures that are new and up to date.

If they placed me in a training program where I was going to train in, let's say, the space industry, I would be reluctant to go into that because, based on my own capabilities, I don't think that I would be able to qualify. And if I were to take the subject matter under consideration and studied it, I'd probably fail.

Again, I would like to come back to the point which was made by, I think, the three of you, and that is that training program enrollees should be in settings where they fit in and are allowed to grow and develop.

Now that same statement was made in another panel by another panelist in another way. He said we must customize training programs. This all comes down to one point, and that is that if training programs are designed to meet the training needs of senior citizens and fit their capabilities, they would be more willing to participate.

Would that, Dr. Thursz, be a correct statement to make?

Dr. **Thursz**. Yes, it would, with the addition of just two factors that I would emphasize, and were emphasized by Mr. Pichardo. One, that there be a human behavior approach, which provides that psychological support and that sense of self-confidence. If you were to go to an accounting class and you knew in advance that only 20 percent would pass and that there were jobs for only 5 percent, you might decide that it's not worth it. So there's a need for that.

Then the second thing is that there's got to be a payoff. There's got to be a real job down the line. Too many people have gone into training for jobs that either did not exist or were dead end posts.

Mr. **Roybal**. Now, Mrs. Reyes, what do you think of all of this? You've had the experience of coming back to work at an age that most people feel that it's time to retire.

You stated that you had excellent training.

Mrs. **Reyes**. Yes.

Mr. **Roybal**. Can you more or less describe this excellent training that you got?

Mrs. **Reyes**. NCOA sent me to a clerical training and vocational school. I learned office procedures, which I never had before. I was always working in a sewing factory. But I wanted to start all over, different kind of work. I like the office work.

Mr. **Roybal**. You worked prior to this training, you worked in a factory somewhere?

Mrs. **Reyes**. Yes.

Mr. **Roybal**. At the time that you decided to go into this training program, did someone talk to you, encourage you, sell you an idea that you could do it, or did you come to that conclusion all by yourself?

Mrs. **Reyes**. No, I saw it in a newspaper—they were training older people of 55 and over. The NCOA was training persons, so I went there and I made an application for it.

Mr. **Roybal**. All right. Then here's a situation where you came from a factory to an office. There was no reluctance on your part to take that particular training program?

Mrs. **Reyes**. No, I wanted to learn. I liked the idea of working in a different atmosphere.

Mr. **Roybal**. Now, Dr. Thursz, what is it that we have to do to adequately meet the needs of the Hispanic community? Specifically, what do we have to do to meet the needs of the Hispanic community, particularly as the matter of bilingualism enters into the picture.

Do we have to design programs in various languages in order to meet this need?

Dr. **Thursz**. First of all, we need to expand the program. We still train only a very tiny fraction of those who need the help. So I would urge Congress to examine the possibilities of increasing substantially the Title V program of the Older Americans Act.

Secondly, I would argue for that sensitivity to culture and language. Again, we've got to overcome obstacles and we ought not to be creating new obstacles. So we need the sensitivity to ethnic and to linguistic background, to cultural background.

I think every person in the NCOA staff will tell you that if you're working with an Hispanic population, then you ought to begin to learn to deal not only with the language but with the culture. That's the only way you're going to make it.

Mr. **Roybal**. I sit also on the Appropriations Committee and deal with matters of appropriation with regard to the government as a whole. But testimony before our committee has indicated that Federal funds are limited for this program. We were told that if programs were designed in Spanish and in other languages that it would deprive the general population programs.

Now, do you believe that to be a fact?

Dr. **Thursz**. No, I do not.

Mr. **Roybal**. Dr. Pichardo, you have dealt mostly with Spanish-speaking people, I suppose?

And if that is the case, the same question to you.

Mr. **Pichardo**. Now, what was the question again?

Mr. **Roybal**. The problem is, that funds are limited. One argument that has been made before the committee is, if you design programs to teach people in Spanish, or using bilingual education, let us say, that that would diminish the funding levels to teach those that are monolingual.

Will it detract from the monolingual community's ability to enjoy the privilege of training?

Mr. **Pichardo**. No, I don't think so. I think that funding for bilingual education is important, but we are speaking about the older worker, I'm talking about cohorts of 60 and 70. And you take the cohort that's coming at 55 or 40, those are the persons that in a sense already speak English.

Right now we're faced with the fact today that older persons—especially in California—are in their sixties and seventies, already retired or looking for jobs. They are different cohorts from the ones that are 45 or 50. Those already speak English.

But I think there is a need right now to deal with the problem we have today. We do need to provide English—especially with this new amnesty law that just passed. A lot of the older workers that are qualified for the law are now required to take English. They are using a lot of that money now to provide some kind of English training to be able to qualify for the amnesty. And a lot of them are older workers that now feel that they're confident, they can learn English, they can change to another job, they've been working on all these jobs.

I don't think that's going to take away from anything, I really don't. I think that they have to have more training. They have to utilize adult schools, college and other institutions to help the old worker with the training of the Title V program. On-the-job training is a very good method of getting and reaching the older person; especially the espano, because they work with people on the job, and they get trained.

I think that's basically why I support very much the Title V. Many older persons—the espanos—have been placed on jobs because of the method that they use for training.

Mr. **Roybal**. I would like to thank the panelists, and all the panelists we've had today, for very excellent testimony.

I will now recognize Congressman Martinez.

Mr. **Martinez**. [presiding] Thank you, Mr. Chairman.

Not to prolong the issue, but it's one that is of vital concern to me. I recently had put into the Education Act and the Trade bill—and the Education Act's already been signed into law—an English Proficiency Act, which I had carried as an individual bill to begin with.

Initially our side did not provide funding for it but the Senate did provide $8 or $9 million, I believe, for the program.

One of the reasons that we talked about English proficiency is because there is a segment of people here in the United States that don't understand or realize what our country's really all about. Immigrants come in from all over the world speaking different languages. But the fear of some language, one language, any language, replacing English as the official language is retarded really, and I will tell you why.

All of those people that come here speaking different languages have to speak one language to communicate with each other—English—and that's different than even Canada where there are two major languages complying.

So I don't think that anybody has to really recognize officially or otherwise that English is our national language—it is; it always has been, and it always will be. If the Founding Fathers had thought we needed a national language officially stated in the Constitution, they would have, by one vote, adopted German as our national language, which I think would have left many of us in a sorry state, or situation.

That being the case, then I think that we need to understand that if we allow people to come into this country speaking a different language and not having an English requirement as a condition of immigration, that we have to understand that somehow this country has to accept the responsibility—and usually we do through our public school system of teaching these people English. But what about the adults that come who are not enrolled in the public school system. They have to learn any way they can.

Prior to that, let me tell you that in this country, in many instances there are young people who are born in this country who do not learn English. When I was in the Marine Corps there were seven young men from Texas who had been drafted in the Marine Corps who were born in Texas, but did not speak English—they only spoke Spanish.

Dr. **Thursz.** Chairman Martinez, I think that the issue of language hides a more profound issue, which is the kind of America we want. The issue is whether we want to recognize and to foster cultural diversity in this country; whether we want a mosaic representing different peoples and different cultures, or whether we want what I consider to be an old-fashioned idea of the melting pot.

Now I think America is great, primarily because we have fostered the continuation of subcultures that all add to the American spirit—and that's true of Asians, it's true of people from Europe, and it's true of various religions, and it's true of the Hispanic community. So that we're not just talking about language, we're talking about a sensitivity to cultures that ought to be maintained, ought to be fostered in this country.

Mr. **Martinez.** I agree with you, Dr. Thursz. That's one of the things that these people forget when they believe that they can take people and mold them in some kind of a mold that makes them exactly like everyone else. The greatness of our country is it's diversity.

Dr. **Thursz.** That's right.

Mr. **Martinez.** Many of our political leaders, when they are campaigning, talk about the melting pot, the quilt work of the great United States, et cetera. So we ought to recognize that if that's the basis of our country, then language ought to be a part of it too. And in order for these people to compete for jobs, they have to learn English. For them to be able to accept the training that's provided for them, they have to learn English. So money that is used to teach them English should be considered a part of, not a detraction from, the main goal of educating and training these people to provide for themselves.

Having said that, let me ask you a question, since you are the Title V Senior Community Service Employment Director, right?

Mr. **Pichardo.** I'm the site representative. I have enrollees from the National—

Mr. **Martinez.** Oh, you have enrollees from there.

Your training was under Title III?

Dr. **Thursz.** Title V.

Mr. **Martinez.** Oh, Title V. Because somewhere in the testimony we referred to Title—

Mr. **Pichardo.** I'm under the Title III program, the Nutrition and Health—

Mr. **Martinez.** Okay, that's a different program altogether.

But your training was provided by—

Mrs. **Reyes.** By NCOA.

Mr. **Martinez.** Okay. Because in that regard I want to give you some good news. I want to read a statement that was in the briefing material for this hearing because I want it to be a part of the record.

Despite the fact that the SCSEP is a relatively modest employment program, it supported only approximately 65,000 jobs in program year 1988, the current administration—and this is an important point—has made a number of proposals to significantly modify the program.

Proposals made by the current administration range from the complete elimination of the program to proposals to change the administrative and program structure by transferring all or portions of the program from the Department of Labor to the Department of Health and Human Services, and to replace the concept of subsidized jobs with one which would assist older persons in creating their own businesses.

Congress ultimately rejected all of those proposals and supported the SCSEP in its current form.

Moreover, in recent years, the administration has given up its attempts to radically change the program under the Labor and HHS/Education fiscal year 1989 Appropriations conference agreement, SCSEP appropriations for fiscal year 1989 were increased by almost $13 million over the previous year's program, resulting in the total appropriation of $343,824,000, which should be good news to all of us who support the program.

Having said that, I would like to associate my remarks with those of the chairman when he commended you both for coming here and being a part of the hearing. And you, Dr. Thursz, for coming with the testimony you have entered into the record that will be invaluable to us in finding solutions to our problems.

Hopefully, as you said, all of the answers to our problems are in that testimony. I hope that we can convince others of the same.

I want to especially thank you, Mrs. Reyes, because you typify somebody who has come from a position of a lack of confidence, of not being sure of yourself because of a lack of counseling to show you are a worthwhile human being and you can contribute. You have to have a positive attitude for that and you have developed that.

I want to thank you because people like you, as an example, are encouragement to others to succeed. That is what we need, especially in the Hispanic community, those successes that we can identify to encourage other successes. So my hat is off to you. I commend you.

Unless anyone on the panel would like to make a closing statement, then we stand adjourned. Thank you very much.

[Whereupon, at 12:30 p.m., the hearing was adjourned.]

APPENDIX

ANPPM
ASOCIACION NACIONAL P[illegible]ERSONAS MAYORES

CARMELA G. LACAYO
President/CEO
JUDGE NELSON A. DIAZ
Chairperson of the Board

REGIONAL CENTERS: Los Angeles, CA San Diego, CA Washington, D.C. Miami, FL Chicago, IL New Orleans, LA Detroit, MI Philadelphia, PA

October 13, 1988

The Honorable Edward R. Roybal
Chairman
House Select Committee on Aging
Room 712, HOB Annex 1
Washington, DC 20515
ATTN: Mr. Paul Ceja

Dear Congressman Roybal:

The Asociacion Nacional Pro Personas Mayores is pleased to enclose testimony for the written record of the hearing on "The State of Older Workers: Current and Future Needs" held September 14, 1988 in Washington. Thank you very much for the opportunity to submit testimony for the record.

If you have questions about this testimony, please contact us at (213) 487-1922. We again commend the Committee for holding this timely hearing, and many thanks for receiving our testimony.

Sincerely,

Carmela G. Lacayo

CARMELA G. LACAYO
President/CEO

CGL:ps

Enclosure

National Association For Hispanic Elderly
National Executive Offices: 2727 West Sixth Street, Suite 270, Los Angeles, CA 90057 (213) 487-1922

CARMELA G. LACAYO
President/CEO
JUDGE NELSON A. DIAZ
Chairperson of the Board

ANPPM
ASOCIACION NACIONAL P[illegible]RSONAS MAYORES

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Testimony By

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(National Association for Hispanic Elderly)

Before The

House Committee on Aging
And The
Subcommittee on Employment Opportunities,
House Committee on Education and Labor

On

The State of Older Workers: Current and Future Needs

September 14, 1988

National Association For Hispanic Elderly
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The Asociacion Nacional Pro Personas Mayores (National Association for Hispanic Elderly) appreciates the opportunity to submit testimony at this joint hearing conducted by the House Committee on Aging and the Employment Opportunities Subcommittee of the Education and Labor Committee. Our testimony will focus primarily on the Older Americans Act Title V Senior Community Service Employment Program (SCSEP), both in terms of its history and future needs.

A. History of SCSEP for Older Hispanics

This year commemorates the tenth anniversary of the Asociacion's Title V SCSEP -- Project Ayuda -- which was launched in August 1978 in five states with 300 authorized positions. Currently, Project Ayuda has 1,812 positions for low-income persons 55 years of age or older in ten states and the District of Columbia. 1/ Many more older Americans actually participate in the Asociacion's SCSEP because Project Ayuda has a high unsubsidized placement rate (23.2 percent for the program year ending June 30, 1988), especially considering the large proportion of limited-English speaking enrollees.

The Asociacion is especially proud of its leadership role in promoting minority sponsorship of SCSEP projects. 2/ These

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1. Project Ayuda operates in Arizona, California, Florida, Illinois, Kansas, Louisiana, Michigan, Oklahoma, Pennsylvania, Texas and the District of Columbia.

2. The Asociacion's President/Executive Director, Carmela G. Lacayo, testified on October 5, 1977, before the Subcommittee on Income and Employment of the House Committee on Aging:

> In order to ensure equitable participation in Title IX [now redesignated as the Title V SCSEP] moneys, the minority elderly must be allowed to contract with the Department of Labor on an equal basis with the five national aging organizations that directly contract with DOL.

efforts helped to pave the way for the funding of three national minority sponsors in 1978: the Asociacion, the National Caucus and Center on Black Aged, and the National Urban League. These developments also helped bolster minority participation in the SCSEP. During the mid 1970's, aged minorities typically accounted for about 25 to 30 percent of all enrollees. This proportion has climbed to 36 percent for the 1986-1987 program year (the most recent year that complete information is available for total minority participation). Hispanic participation in the SCSEP, for example, has increased from 5.8 percent during the 1975-76 program year to 8.1 percent for the 1986-87 program -- nearly a 40-percent boost in the rate.

Project Ayuda has historically been at or near the top in terms of percentage of minority enrollees. Minorities represented 85 percent of Project Ayuda's enrollment for the program year ending June 30, 1988, including 74 percent for elderly Hispanics.

Additionally, the Asociacion has recruited the most disadvantaged older Americans for placement in Project Ayuda. This is consistent with the SCSEP's original purpose of providing community service employment for low-income persons 55 or older who have poor employment prospects. For example, 88 percent of our enrollees have incomes at or below the poverty line. The remaining participants have incomes within 25 percent of the poverty threshold. Nearly one-half (47 percent) of all Project Ayuda enrollees have had no more than eight years of schooling, and a significant proportion have had less than five years.

B. Maintain Basic Concepts Underlying the SCSEP

The SCSEP has, in the judgment of the Asociacion, been the most effective employment program ever developed. By any standard one would choose to use, Title V has been an extraordinarily successful program. Its administrative costs are low. It has taken some of the most disadvantaged persons in America -- in terms of educational attainment, outmoded or no work skills, and income levels -- and enabled them to engage in productive activity. In short, the SCSEP has enabled low-income older Americans to help themselves while helping others in their communities at the same time.

Title V is also the mainstay, to a large degree, of the aging services network. SCSEP enrollees are key employees for the national nutrition program at senior centers and other congregate meal sites. Additionally, they provide a wide range of needed services in their communities at schools, hospitals, libraries, day care centers, and elsewhere.

Congress created the SCSEP to fulfill four major objectives:

1. To enable older Americans to earn additional income;
2. To offer opportunities for low-income persons 55 or older to engage in purposeful activity;
3. To deliver needed services for communities; and
4. To provide work experience and training for disadvantaged older persons to move into gainful

employment in the private sector.

Architects for what eventually became Title V decided, after numerous hearings and considerable deliberation, to place the SCSEP in the Department of Labor. Congressional sponsors made this decision because the SCSEP is first and foremost an employment program.

These fundamental principles have, in the opinion of the Asociacion, contributed enormously to the success of Title V. We strongly believe that they should be preserved. There is an old adage that you should not try to fix something when it is not broken. This certainly applies to the SCSEP. Consequently, the Asociacion urges the Congress to resist major future changes that alter the basic concepts underlying Title V. We believe that the emphasis should be on perfecting measures.

C. Continue Emphasis for Serving Older Minorities

Moreover, the emphasis on serving older minorities should be continued. Minority participation in the SCSEP is more than twice as great as it is for the Older Americans Act Title III Supportive and Nutrition Services programs. For example, the minority participation rate for Title V was 36 percent for the 1986-87 program year, in contrast to 16.3 percent for the Title III-B Supportive Services program and 16.5 percent for the Title III-C Nutrition Program for the Elderly.

The SCSEP has a number of key features that promote minority participation. First, Title V enrollees must have income below

125 percent of the poverty threshold. Thus, the program is naturally targeted to aged minorities since their poverty rate is frequently two to three times as great as for the Anglo elderly population.

Second, section 502(b) (M) required Title V Projects to serve, to the extent feasible, the needs of minorities and limited-English-speaking eligible persons in proportion to their numbers in the states. This specific statutory measure provides clear-cut direction concerning the affirmative duty of sponsors to serve low-income aged minorities.

Third, the minority sponsors give added emphasis to statutory and other directives to enroll aged minorities in community service employment.

All of these measures contribute to the SCSEP's exceptional track record in serving older minorities. For these reasons, we urge that these basic principles be maintained in the future. We also recommend that national sponsors and states be required to provide greater bilingual services in areas where larger concentrations of limited English-speaking older persons reside. Elderly Hispanics and aged Pacific/Asians are among the more rapidly growing segments within the 55-plus population. Unfortunately, many of these potential Title V enrollees are deterred because of the language barrier.

D. Serving Older Persons Who Have Poor Employment Prospects

The original legislation creating the SCSEP required enrollees to be low-income unemployed persons 55 years or older "who have poor employment prospects." The 1981 Older Americans Act Amendments (Public Law 97-115) dropped the "poor employment prospects" requirement. The Senate Labor and Human Resources Committee report stressed that this change was to concentrate Title V activities on serving older persons who can work but encounter difficulty because of their age or outmoded skills. Congress later enacted the Job Training Partnership Act (JTPA) to provide training for persons who face structural employment obstacles. In view of this development, the Asociacion believes that statutory language should reaffirm that Title V serves unemployed low-income older Americans with poor employment prospects.

This perfecting change, we believe, is desirable because the proposed language would target the limited SCSEP resources to those individuals with the greatest needs. Congress created Title V to provide employment opportunities for older Americans who are simply not good candidates for private jobs because of their limited education, outdated work skills, long-term absence from the work force, or other handicaps. Our recommended language would clarify this point again.

E. Adequate Appropriations

The key future issue for the SCSEP is the need for adequate appropriations. Title V is performing its congressionally mandated functions extraordinarily well. Independent evaluators have made this point repeatedly. The Asociacion strongly believes that the SCSEP will perform its mission effectively if Congress provides suitable appropriations.

Future funding adjustments will be necessary to accommodate state minimum wage increases, and quite likely a boost in the federal minimum wage. The Fiscal Year 1989 Labor-Health and Human Services Appropriations Act (H.R. 4783), which House and Senate conferees recently approved, would increase Title V funding to cover partially minimum wage increases that have become or will become effective in 11 states.

If funding is not adjusted, then some SCSEP enrollees will lose their jobs. The Asociacion firmly believes that Congress should take all the necessary steps to prevent this tragedy from occurring.

F. Conclusion

In conclusion, the Asociacion reiterates its appreciation for the opportunity to testify at this important hearing during our tenth anniversary as a Title V sponsor. The SCSEP has had a model record throughout its history because Title V is a well-conceived program that has been effectively administered. The future is also bright for the SCSEP if our nation adheres to the basic principles that made Title V successful. We believe that our recommendations will achieve that objective. For these reasons, we urge the Committee again to support our proposals fully.

9to5 NATIONAL ASSOCIATION OF Working Women

NATIONAL OFFICE
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September 26, 1988

Written Testimony

Submitted by Karen Nussbaum
Executive Director, 9to5, National Association of Working Women
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to the House Select Committee on Aging
on "The State of Older Workers: Current and Future Needs"

The American workforce is changing. Jobs continue to shift from the manufacturing to the service sector; women are entering the workforce in record numbers; and increasing numbers of workers now have a more marginal relationship to the workforce as the number of contingent workers -- part-time, temporary, contracted-out, and home-based workers -- multiplies. These "marginal" workers tend to have low pay, few benefits, and no job security.

Older workers (55 and over) are bearing a disproportionate burden of the current era of restructuring. They suffer more from displacement than other workers, and often subsidize their own employment when rehired as retirees. And problems with employment and retirement are greater for women older workers.

Without public and private policy action today, the problems are likely to only grow greater in the next 20 years as baby boom workers -- ill-prepared for retirement -- age.

I. "Older Workers are the "Shock Absorbers" for the Changing Economy.

The contingent workforce is growing, with a full 28% of the American workforce now working as part-time, temporary, contracted-out or home-based workers. Though some people prefer less than full-time work, many others would rather be full-time and permanent. They find it difficult to live with the characteristic low pay, lack of benefits, and absence of job security.

Older workers are a growing part of the marginal workforce. Fifty-three percent of workers over 65 work part-time, over twice the rate for all workers. (Twenty-two percent of the overall workforce is part-time.)

The number of women 45 and over working part-time involuntarily has been increasing steadily from 509,000 in 1979 to 767,000 by the end of 1986, a 51% increase.

One in ten of all temporary workers are 55 or over. The average age of home-based workers is nearly 45.

Older workers are being hurt by layoffs, used increasingly by companies as a short term strategy to become more cost-competitive. In effect, older workers are being pushed out of the workforce through displacement, into longer durations of unemployment. What follows is either early retirement or reemployment at lower earnings.

1. Displacement

Twenty percent of permanently laid off workers were 55 or older according to a government study, even though workers over 55 are only 13% of the total workforce. That means if you are 55 or older, you are one and a half times more likely to be displaced.

2. Duration of Unemployment

Older workers have a higher incidence of long-term unemployment than younger workers. Once unemployed, older workers have a lower probability of becoming reemployed. Workers 55-64 are likely to be unemployed 62% longer than all workers.

The duration of unemployment, in contrast with unemployment rates themselves, rises progressively with age. The average duration of unemployment among workers 55-64 is 23.7 weeks, compared to 15 weeks for all ages. The median duration of unemployment for workers 55-64 is 11.2 weeks, compared to 6.9 weeks for all ages, nearly double. (The average being greater than the median indicates there are many who endure very long spells of unemployment.)

3. Discouraged Workers and Forced Early Retirement

Older workers who lose their jobs past the age of 55 face recession conditions when it comes to reemployment. More than one in three displaced workers between the ages of 55 and 64 never return to the labor force.

Older workers are three times more likely than other workers to escape unemployment by withdrawing from the labor force entirely.

Older job losers are more likely to be forced to retire than older workers who have not lost their jobs. In one study, when the employment rate was 6%, 30% of 60-year -old male job losers retired as opposed to 10% of employed males. When the unemployment rate was 8%, a full 44% of 60 year-old male job losers retired.

II. Many Retired Workers Subsidize Their Own Employment

A new phenomenon of rehiring retirees is fueled by workers who face early retirement, insufficient income, and the social need for work, and by employers who seek to reduce labor costs by hiring retirees.

Retirement incomes for Americans are low. Almost two-thirds of people over 65 (17 out of 26 million) earned less than $10,000 from all sources in 1985.

Only 43% of men and 20% of women received pension benefits, and the proportion of American workers covered by private retirement plans actually declined since 1981, from 46% to 43%.

Early retirement schemes are increasingly popular among employers. Forty percent of Fortune 500 companies have used early retirement schemes to cut staff recently.

But the more lucrative schemes tend to be used more with male and higher level workers. Falling workforce participation rates for older workers are unique to men. Older women's participation has remained constant. As a 9to5 member from Los Angeles remarked, "I've never heard of inducements to go. Clericals have enough trouble getting inducements to stay."

Early retirement schemes often don't satisfy the needs of employees. Many older workers would rather work. Harris polls consistently show that about half of retirees would prefer to be working, and 80% of workers approaching retirement wish to work part-time before full retirement.

Almost two out of five large corporations use early retirement incentives to trim their workforces. In 40% of early retirement offers, less than one-half of eligible workers accept, mainly because they tend to believe that the alternative is not staying on -- but being laid off and having to take undesirable jobs.

Rehiring retirees has clear advantages to employers, including averted costs and experienced workers. But employer gains translate into losses for rehired retirees, including reduced pay and benefits for doing the same job as before retirement.

Many companies have specific programs for rehiring retirees:

o Zayre cites not only the high reliability of older workers but also the subsidization of hiring costs by JTPA and the senior employment services. The company set up a booth to recruit older workers in a local shopping mall.

o Omni Communications in Lynn, Massachusetts has recruited older workers so heavily that almost 60% of its workforce of telemarketers are now 55 and over.

o MatureTemps in New York places only older workers in temporary clerical assignments, as does New Life Institute.

o Continental Illinois Bank and Trust maintains a crew of older workers through its own temporary agency, Ready Work Force. This is an example of a striking trend of companies establishing formal programs of rehiring their own retirees.

Low level workers often come back to jobs at entry level pay, although they bring longterm work experience. They also typically receive no benefits, including no contribution to future pension. For example, a clerical at Blue Cross could be earning $18,000 at retirement, the top of the line, and come back as a retiree at entry level pay of $13,000.

An even more startling example comes from Owens-Corning Fiberglass in Toledo, Ohio. The company restructured in 1986, cut entire departments and replaced workers with subcontracted rehires. Stanley Collins worked for the company for 34 years. Now he contracts Owens-Corning's video communications operation at less than half his former pay of $80,000, with no benefits, and he pays the rent for his office.

III. The Problems We See Today are a Glimpse of Perhaps Even Greater Problems in the Future.

The baby boom generation is apt to face even higher barriers to economic security in its later working years and in retirement if many of the current trends are allowed to continue.

The dependency ratio (the 65+ population divided by the 18-64 population) will double by the year 2050, growing from 19% to 38%.

Baby boom workers earn less and save less -- labor market earnings are lower in real terms today than in 1973 or in 1979. Soaring housing costs as a proportion of total income reduce the proportion of workers who can own their own homes and the proportion of income that can be saved for retirement. And demands on current income, including increased costs of child care for two-wage-earner families, and increased costs for higher education, mean that today's workforce saves considerably less than their parents' generation.

IV. Institutional Discrimination and the Relative Decline of the Labor Movement Imperil Older Workers.

Older women find themselves at an even greater disadvantage. Women earn less when they work, suffer more from displacement, and are more likely to retire into poverty than men:

o The most striking finding is that older women with substantial job tenure suffer the greatest loss of earnings after displacement -- higher than younger females and displaced older males in blue collar jobs.

o The percent of women in the labor force 55-64 will stay constant, in stark contrast to the expected continued decline of the labor participation of men of the same age. These women presumably stay in the labor market because of economic need.

o Even though two out of three displaced workers are men, women tend to have a higher likelihood of being pushed out of the labor force at older as well as younger ages.

o Pension coverage for women (and low wage workers in general) is still rare. Despite the fact that 42% of all working women participate in pension plans, only 20% of women, compared to 43% of men, receive pension benefits at retirement.

o Average pension income for women is only 58% of the level received by men.

o Only 2% of widows ever collect on their husbands' benefits after death.

o Older women are more prone to live in poverty. The poverty rate for women 65 and older living alone hovers at around 50%. The poverty rate for elderly women is twice that of men. Almost 20% of women over 65 live in poverty. Seventy-two percent of all elderly poor are women.

Age discrimination contributes to the problems. Pervasive age discrimination is indicated by the problems older workers experience in hiring, training, and pay levels.

Harris polls show that four out of five people believe that employers discriminate on the basis of age. And in fact there has been an increase in court cases 71% (from 1981 through 1984) alleging employer discrimination through the 1980s. Average weekly earnings fall off for men at age 55, and fall off even earlier for women at age 45.

The decline of unions weakens traditional protections for older workers that unions safeguarded. Unions provide seniority protections for senior workers at times of layoffs. Eighty-nine percent of collective bargaining contracts use seniority in layoffs. In a survey, 84% of unionized employers say they would not lay off a senior ahead of a junior worker -- twice the percentage of nonunion employers.

Unions secure pensions. Ninety-nine percent of union contracts have some provision for pensions, and the bulk -- 92% -- have plans where the employee does not have to contribute. Union employers spend, on the average, 30% more on pension plans than nonunion employers.

The largely nonunionized service sector, the growth sector of the economy, is far less likely to provide pensions. Only 40% of all technical, sales, and administrative support jobs have pensions, and only 22% of service workers have pensions. And, in fact, the proportion of American workers covered by retirement plans has actually declined since 1981, from 46% to 43%.

V. We Need a Comprehensive Older Worker Policy.

Today's policies were developed in a different era -- when families were more likely to have one wage earner, when workers expected to accrue seniority in one company, and when corporations took on greater responsibility for employee welfare. These policies no longer work, for older workers in general, and for older working women especially.

Public and private policies must reverse the current push of older workers into earlier than preferred retirement, and into the ranks of the marginal workforce. To boost the economic status and security of older workers and retirees, we urge the following public and private actions:

o Legislators and private employers must act to upgrade the terms of employment for part-time and other contingent workers, and to generate more high quality part-time and flexible-hour job opportunities. These would be far preferable to the current choices of either complete retirement or work at relatively lower status, low paid, part-time jobs.

o Public and private pension systems must be altered to allow for partial benefits combined with partial or phased retirement. Many workers approaching retirement age say they would prefer these options to abrupt retirement. Public and private pension plans must also immediately be modified to encourage rather than discourage continued labor force participation.

o Policy makers must explore more explicit protections for older workers as the seniority system remains under attack. The protections could range from legal dismissal protections, to government sponsored training and retraining efforts for both the unemployed and those on-the-job, to government or privately funded caregiving for the very elderly.

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Statement of

Dionicio Morales, President

Mexican-American Opportunity Foundation

6252 East Telegraph Road

Commerce City, California 90040

House Select Committee on Aging

September 15, 1988

Mr. Chairman, Members of the Committee:

My name is Dionicio Morales, and I am president of the Mexican-American Opportunity Foundation which operates programs in several California cities.

Among our major efforts are the sponsorship of three Senior AIDES Projects which we operate in conjunction with the National Council of Senior Citizens. These projects are part of the Senior Community Service Employment Program administered by the Department of Labor under Title V of the Older Americans Act. The Senior AIDES Projects are in East Los Angeles, Oxnard, and Bakersfield.

The National Council of Senior Citizens has approximately 150 Senior AIDES Projects in 27 states and the District of Columbia, and we at the Mexican-American Opportunity Foundatin are very proud to be a part of that effort.

It is fitting as we take note of our Hispanic heritage that we also recognize that Title V of the Older Americans Act is serving many Hispanic persons.

Overall, Senior AIDES Projects have 6.45 percent Hispanic enrollment, and all minorities accounted for 30.22 percent of an enrollment of 10,837 on June 30, 1988. In California, where our projects are located, Hispanics account for 31.45

percent of the state's enrollment in Senior AIDES Projects, and all minorities account for 63.22 percent.

We take these and other figures as evidence of the sincere efforts of Title V project sponsors to serve minorities in an equitable manner, and we also take these and other figures as evidence that Title V is a vital source of income and opportunities to continue in the mainstream of commmunity life for thousands of older workers and a vital source of community service for the agencies where they work.

In this regard, please let me say to you that, as a sponsor of three Senior AIDES Projects and as an observer of the operation of many other Title V projects, the program is working extremely well. We see no cause for change and trust that you and others in the Congress will see fit to find ways to increase the size of the total program in years to come as the number of older persons--older persons who are willing and able to work--increases.

Thank you.

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OLDER
WISER

PLACEMENT SERVICE FOR OLDER WORKERS 541 E. Colorado Blvd., Pasadena, CA 91101 (818) 796-4990

September 9, 1988

Honorable Edward Roybal, chair.
House Committee on Aging
House Annex, Room 712
Washington D.C.   20515

Dear Members of the Committee on Aging,

To help you believe our following statements, let us give you some history... our project, Placement Service for Older Workers, was created in 1975 by the volunteer Pasadena Committee on Aging, using CETA funds, and saying that older workers needed assistance in putting their experience to work for profit with employers who also needed to profit.

13 years later, now using JTPA funds, PSOW is saying the same thing, only now we've proved a successful method in matching up these two groups...we've helped at least 9,000 older workers and employers find job happiness in that time.

Along the way we;ve come to believe that there are 5 issues still to be dealt with for the benefit of older workers.

1. the JTPA regulations need to adopt two newd definitions that will better serve the older worker....
    a. the definition of training must include Job Search Training; justified because the older worker needs to learn how to sell his/her past experience, dependbility, and ability to adapt. Teaching him/her how to get and keep the job makes good business cents for the older worker AND the employer.

    b. the definition of Displaced Workers must include Displaced Homemakers....older women who because of death, divorce, or disability of the spouse must support themselves now. They are equally displaced, and unable to return to a paying job.

Funded with federal JTPA monies thru:
The County of Los Angeles,
Foothill Employment and Training Consortium,
Southeast Los Angeles County Service Delivery Area

2. Medicare should be considered the primary source of health benefit for older workers, age 65 or over. Thus, the employer does not have to pay the same health benefit for the older employee as must be offered to the youngdr employee. This is a real cost barrier towards the older worker being hired.

3. the earnings limitations on social security recipients must be eliminated earlier than now planned. This is another real barrier towards the best use of the skilloof older, experieneded workers.

4. the Targeted Jobs Tax Credit program should give tax advantages to employers who hire and retain persons age 65 or over for an appropriate period.

5.
5. the State Job Service offices must establish an Older Worker Division... staff whose job description calls for sensitivity towards the older job seeker must be trained and assigned towards assisting older workers of all degrees of experience in putting their experience to work. This helps the employers, and the communities, as much as the individual older worker.

If all this happened, then services such as Placement Service for Older Workers might go out of business, with no regrets! We'd like that!

Hopefully,

Patricia Rostker, Dir PSOW

Nora Mitsumori

Nora Mitsumori, pres. PSOW
Board of Directors

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CRS REPORT FOR CONGRESS

A DEMOGRAPHIC PORTRAIT OF OLDER WORKERS

This report examines projected changes in the age and racial makeup of the U.S. labor force for the year 2000. In particular, the unique labor market problems and experiences of older workers are analyzed.

CRS
CONGRESSIONAL
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SERVICE

by
Gail McCallion
Analyst in Labor Economics
Economics Division

September 27, 1988

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A DEMOGRAPHIC PORTRAIT OF OLDER WORKERS

SUMMARY

Projected changes in the age composition of the U.S. population may translate into changes in the composition of our future labor force. By the year 2000, workers between the ages of 35-54 will make up 53.2 percent of the labor force compared to 41.7 percent in 1987; the percentage of workers 65 and over in the labor force will decline slightly, falling from 2.8 percent in 1987 to 1.8 percent in 2000.

Some experts believe an aging society will result in shortages of young workers and will necessitate the participation of greater numbers of older workers in the labor force. Others argue there may be no need to draw increasing numbers of older persons into the labor force because other groups such as women and immigrants may take up some of the slack. In addition, they point out that older workers have not exhibited any desire to remain in the work force in significant numbers once they reach retirement age, as indicated by the decline in the average age at retirement.

Although older workers have the lowest unemployment rate of any age group, they encounter other labor market problems not encountered by younger workers to the same extent. Older workers, for example, have a more difficult time finding work once they are unemployed than other age groups. In 1987, workers 55-64 were unemployed an average of 22 weeks and those 65 and over were unemployed an average of 17.8 weeks compared to 14.5 weeks for all workers 16 and over. Many older workers choose simply to withdraw from the labor force when they become unemployed, in part due to this difficulty.

If more older workers are to participate in the labor force of the future, the particular problems and concerns experienced by this group will need to receive greater attention. In particular, flexible work schedules that accommodate older workers' health and family responsibilities may be needed. Some economists argue that older workers would be more likely to be drawn into or retained in the ranks of the employed if part-time jobs at attractive wages were available or retirement policies encouraging later retirement were developed.

CONTENTS

OLDER WORKERS IN THE LABOR FORCE 3

OCCUPATIONAL PROFILE OF OLDER WORKERS 5

LABOR MARKET PROBLEMS OF OLDER WORKERS 7

A DEMOGRAPHIC PORTRAIT OF OLDER WORKERS

As we approach the twenty-first century, America is growing older.[1] This phenomenon is largely due to the aging of the baby boom generation (those born between 1946-1964). As this group ages the percentage of our population that is middle-aged (35-54) will grow larger, peaking around the turn of the century. In 1987, 33.9 percent of the population was 35-54, 42.5 percent of the population is projected to be 35-54 in 2000, and thereafter the percentage of 35-54 year olds is projected to fall, equalling 33.6 percent of the population in 2030 and 31.9 percent in 2050.[2]

As the baby boomers pass through middle-age into older adulthood the percentage of the population that is 65 and over is projected to increase, rising from 16.7 percent of the population in 1987 to 17.4 percent in 2000, 27.9 percent in 2030, and 29 percent in 2050. At the same time the percentage of older persons is rising, the proportion of young adults (20-34) will be falling. Persons 20-34 years old accounted for 36.4 percent of the population in 1987, but by 2050, they are projected to represent only 22.7 percent of the population. (See table 1.)

In addition to changes in the age makeup of the population, the racial composition of the population is projected to change as well. The percentage of the population accounted for by whites is projected to fall from 86.2 percent of the population in 1987 to 76.0 percent in 2050.[3] The percentage of nonwhites and Hispanics in the population is projected to increase during this period. Blacks represented 10.8 percent of the population in 1987 and are projected to represent 15.2 percent in 2050; Hispanics represented 6.9 percent of the population in 1987 and are projected to represent 24.9 percent in 2050; and, Asians

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[1] There is no generally accepted definition of older persons or older workers. Due to data limitations and for convenience, the definition of older persons/workers used here will vary by context, but will be clearly specified.

[2] The U.S. Department of Commerce, Bureau of the Census and the U.S. Bureau of Labor Statistics (BLS) make a range of predictions about the growth of the population and the labor force under a variety of different economic assumptions. The most often used BLS projections, which assume moderate economic growth, are the projections used here.

[3] All aggregate civilian noninstitutional population and labor force figures are for individuals 20 and over.

TABLE 1. Civilian Noninstitutional Population, Labor Force and Participation Rates by Age and Sex, Actual 1987 and Moderate Growth Projections for 2000, 2030, and 2050
(numbers in thousands)

	1987					2000					2030 a/		2050 a/	
	Population Level	Population Percent	Labor Force Level	Labor Force Percent	Labor Force Participation Rate	Population Level	Population Percent	Labor Force Level	Labor Force Percent	Labor Force Participation Rate	Population Level	Population Percent	Population Level	Population Percent
TOTAL														
20 and over	168,145	100.0	111,874	100.0	66.5	189,822	100.0	129,895	100.0	68.4	223,142	100.0	222,699	100.0
20-34	61,267	36.4	50,210	44.9	82.0	52,650	27.8	45,408	35.0	86.2	51,265	23.0	50,588	22.7
35-54	56,937	33.9	46,670	41.7	82.0	80,305	42.5	69,123	53.2	86.1	75,044	33.6	71,092	31.9
55-64	21,834	13.0	11,877	10.6	54.4	23,966	12.7	12,970	10.0	54.1	34,655	15.5	36,418	16.4
65-74	17,300	10.3	2,661	2.4	15.4	17,881	9.5	2,007	1.5	11.2	35,280	15.8	30,971	13.9
75+	10,807	6.4	456	0.4	4.2	15,020	7.9	387	0.3	2.6	26,898	12.1	33,632	15.1
MEN														
20 and over	79,563	47.3	62,091	55.5	78.0	90,481	47.7	68,635	52.8	75.9	106,550	47.7	105,682	47.5
20-34	29,975	17.8	27,493	24.6	91.7	25,698	13.5	23,564	18.1	91.7	24,995	11.2	24,639	11.1
35-54	27,690	16.5	25,762	23.0	93.0	39,560	20.8	36,465	28.1	92.2	37,028	16.6	35,054	15.7
55-64	10,268	6.1	6,939	6.2	67.6	11,448	6.0	7,238	5.6	63.2	16,917	7.6	17,782	8.0
65-74	7,654	4.6	1,614	1.4	21.1	8,073	4.3	1,122	0.9	13.9	16,660	7.5	14,675	6.6
75+	3,976	2.4	283	0.3	7.1	5,702	3.0	246	0.2	4.3	10,950	4.9	13,532	6.1
WOMEN														
20 and over	88,582	52.7	49,783	44.5	56.2	99,341	52.3	61,260	47.2	61.7	116,592	52.3	117,017	52.5
20-34	31,292	18.6	22,717	20.3	72.6	26,952	14.2	21,844	16.8	81.0	26,270	11.8	25,947	11.7
35-54	29,247	17.4	20,908	18.7	71.5	40,745	21.5	32,658	25.1	80.2	38,016	17.0	36,038	16.2
55-64	11,566	6.9	4,938	4.4	42.7	12,518	6.6	5,732	4.4	45.8	17,738	7.9	18,638	8.4
65-74	9,646	5.7	1,047	0.9	10.9	9,808	5.2	885	0.7	9.0	18,620	8.3	16,296	7.3
75+	6,831	4.1	173	0.2	2.5	9,318	4.9	141	0.1	1.5	15,948	7.1	20,100	9.0

NOTE: Details may not add to totals due to rounding.

a/ Labor force projections for 2030 and 2050 are not yet available.

Sources: U.S. Bureau of Labor Statistics. Projections 2000. Bulletin 2302, pp. 93-95. Unpublished U.S. Bureau of Labor data.

and other races represented 2.9 percent of the population in 1987 and are projected to represent 8.8 percent in 2050.[4]

The proportion of older persons (65 and over) in all racial groups is projected to rise steadily during this period. The percentage of whites 65 and over will rise from 15.0 percent of the population in 1987 to a projected 22.7 percent of the population in 2050; blacks 65 and over will increase from 1.4 percent of the population in 1987 to a projected 4.1 percent in 2050; Hispanics 65 and over will increase from 0.5 percent of the population in 1987 to 4.7 percent in 2050; and, Asian and other races 65 and over will increase from 0.3 percent of the population in 1987 to 2.3 percent in 2050. (See table 2.)

OLDER WORKERS IN THE LABOR FORCE

These changes in the racial and age composition of the population should have a significant impact on the composition of our future labor force. Blacks, Hispanics, and Asians and other races are projected to make up approximately 57 percent of the growth in the labor force between 1986 and 2000; including non-Hispanic white women increases that percentage to 90 percent.[5] By the year 2000 workers between the ages of 35-54 will make up 53.2 percent of the labor force compared to 41.7 percent in 1987; the percentage of workers 65 and over in the labor force will decline slightly, falling from 2.8 percent in 1987 to 1.8 percent in 2000.

The impact of the aging of the population on the labor force after the turn of the century is less clear. Some argue that the aging of the baby boom generation and the declining share of our population that is young will create a need to attract more older workers to the labor force and keep them working longer in order to meet the demand for labor. On the other hand, although the proportion of the population that is older will increase, the U.S. Bureau of Labor Statistics (BLS) has "found no convincing evidence of any turnaround in the tendency for a smaller and smaller share of the older labor force to continue working."[6] The lack of any necessary direct correlation between a rising share of older persons in the population and a rising share of older persons in the labor force has been attributed to a variety of factors that might mitigate against in-

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[4] Hispanic is not considered a racial category, thus Hispanics are also included in white or black population groups. Asians and other Races includes American Indians, Alaskan Natives, Asians and Pacific Islanders.

[5] Kutscher, Ronald. Overview and Implications of the Projections to 2000. In Projections 2000. Washington, U.S. Govt. Printing Office, 1988. p. 2.

[6] Fullerton, Howard and R.E. Kutscher. The Aging Labor Force, 1988. p. 5. (Forthcoming in The Aging Workforce.)

TABLE 2. Civilian Noninstitutional Population, Labor Force and Participation Rates by Age, Race, and Hispanic Origin, Actual 1987 and Moderate Growth Projections for 2000, 2030, and 2050
(numbers in thousands)

	1987					2000					2030 a/		2050 a/	
	Population Level	Population Percent	Labor Force Level	Labor Force Percent	Labor Force Participation Rate	Population Level	Population Percent	Labor Force Level	Labor Force Percent	Labor Force Participation Rate	Population Level	Population Percent	Population Level	Population Percent
TOTAL														
20 and over	168,145	100.0	111,874	100.0	66.5	189,822	100.0	129,895	100.0	68.4	223,142	100.0	222,899	100.0
WHITE														
20 and over	145,017	86.2	96,394	86.2	66.5	159,494	84.0	109,255	84.1	68.5	176,627	79.2	169,355	76.0
20-34	51,475	30.6	42,719	38.2	83.0	47,505	22.4	37,363	28.8	87.9	38,908	17.4	37,438	16.8
35-54	49,001	29.1	40,373	36.1	82.4	67,566	35.6	58,521	45.1	86.6	58,736	26.3	53,451	24.0
55-64	19,241	11.4	10,497	9.4	54.6	20,515	10.8	11,239	8.7	54.8	27,640	12.4	28,034	12.6
65-74	15,501	9.2	2,384	2.1	15.4	15,497	8.2	1,785	1.4	11.5	28,880	12.9	23,805	10.7
75+	9,799	5.8	421	0.4	4.3	13,411	7.1	347	0.3	2.6	22,463	10.1	26,827	12.0
BLACK														
20 and over	18,187	10.8	12,093	10.8	66.5	22,391	11.8	15,208	11.7	67.9	31,189	14.0	33,757	15.2
20-34	7,717	4.6	5,965	5.3	77.3	7,430	3.9	5,972	4.6	80.4	8,127	3.6	8,144	3.7
35-54	6,021	3.6	4,780	4.3	79.4	9,418	5.0	7,837	6.0	83.2	10,798	4.8	10,981	4.9
55-64	2,097	1.2	1,098	1.0	52.4	2,549	1.3	1,214	0.9	47.6	4,808	2.2	5,513	2.5
65-74	1,494	0.9	220	0.2	14.7	1,805	1.0	152	0.1	8.4	4,605	2.1	4,734	2.1
75+	858	0.5	30	0.0	3.5	1,189	0.6	33	0.0	2.8	2,851	1.3	4,385	2.0
HISPANIC b/														
20 and over	11,537	6.9	7,932	7.1	68.8	18,461	9.7	13,083	10.1	70.9	40,048	17.9	55,508	24.9
20-34	5,624	3.3	4,315	3.9	76.7	7,511	4.0	6,018	4.6	80.1	13,582	6.1	17,046	7.7
35-54	3,956	2.4	2,990	2.7	75.6	7,531	4.0	6,080	4.7	80.7	14,876	6.7	20,001	9.0
55-64	1,061	0.6	545	0.5	51.4	1,689	0.9	872	0.7	51.6	5,233	2.3	7,893	3.5
65+	896	0.5	82	0.0	9.2	1,730	0.9	113	0.1	6.5	6,357	2.8	10,568	4.7
ASIAN and OTHER c/														
20 and over	4,941	2.9	3,387	3.0	68.5	7,937	4.2	5,432	4.2	68.4	15,326	6.9	19,587	8.8
20-34	2,075	1.2	1,526	1.4	73.5	2,715	1.4	2,073	1.6	76.4	4,230	1.9	5,004	2.2
35-54	1,915	1.1	1,517	1.4	79.2	3,321	1.7	2,765	2.1	83.3	5,510	2.5	6,660	3.0
55-64	496	0.3	282	0.3	56.9	902	0.5	517	0.4	57.3	2,207	1.0	2,871	1.3
65-74	305	0.2	57	0.0	18.7	579	0.3	70	0.1	12.1	1,795	0.8	2,432	1.1
75+	150	0.1	5	0.0	3.3	420	0.2	7	0.0	1.7	1,584	0.7	2,620	1.2

NOTE: Details may not add to totals due to rounding.

a/ Labor force projections for 2030 and 2050 are not yet available separately.

b/ Hispanic is not a racial category, thus Hispanics are also included in the white or black population groups. For this reason details will not add to totals. Data for Hispanics 65-75 years old are unavailable separately.

c/ Asian and other includes American Indians, Alaskan natives, Asians, and Pacific Islanders.

Sources: U.S. Bureau of Labor Statistics. Projections 2000. Bulletin 2302, pp. 93-95. Unpublished U.S. Bureau of Labor Statistics data.

creased labor force participation by older workers: a continued rise in women's labor force participation rates; a continuation of the trend toward early retirement; high unemployment among middle-aged workers; and, increased immigration.[7]

If a larger share of older workers are participants in the labor force of the future, the particular problems experienced by this group will need to receive greater attention. The unique characteristics and labor market problems experienced by this group in 1987 may provide some insight into issues that might arise after the turn of the century if the age composition of our labor force does mirror the aging of our population.

OCCUPATIONAL PROFILE OF OLDER WORKERS

As workers grow older, the occupations in which they are employed change somewhat from those they occupied during their youth, particularly for workers 65 and over. Older workers tend to be more concentrated in executive jobs, due to seniority and experience, and in service and farm jobs, due to the flexible schedules and greater availability of part-time work in those areas.[8] Older workers are less likely than younger workers to be represented among the following occupations, probably due to the physical demands: precision production, craft, and repair; and, operators, fabricators, and laborers. Although differences in occupation by age occur for the entire 55 and over age group, 55-64 year olds are less different occupationally from younger age groups than those 65 and over.[9]

As chart 1 illustrates, all three racial and ethnic origin groups are more likely to be employed in the forestry, farming and fishing occupations after age 55 than before. Other occupational changes after age 55 are most striking among black workers. For example, the proportion of black workers employed in service occupations increases dramatically after age 55. In 1987, 36.2 percent of black workers 55 and over were employed in service occupations vs. 23.1 percent for those 16 and over. Black workers also experience a dramatic decline in the proportion of workers employed in the technical,

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[7] Morrison, Malcolm. The Aging of the U.S. Population: Human Resource Implications. Monthly Labor Review, May 1983. p. 13.

[8] For older workers (all races), service occupations represented a larger share of total employment for those 65 and over compared to the share these occupations represented for all workers 16 and over, but for workers 55-64 years old, the share represented by service occupations was roughly equal to the share these occupations represented for workers 16 and over. For Hispanic and black workers, service occupations represented a larger share of total employment for both workers 55-64 years old and workers 65 and over, when compared to service occupations as a share of total employment for all workers 16 and over in these groups.

[9] Fullerton and Kutscher, The Aging Labor Force, p. 9.

CHART 1. Occupation by Age, Race and Hispanic Origin, 1987

MPS=Managerial, Professional Specialty; TSA=Technical, Sales, Administrative Support; SO=Service Occupations; PPCR=Precision Production, Craft Repair; OFL=Operators, Fabricators,Laborers; FFF=Forestry, Farming, Fishing.

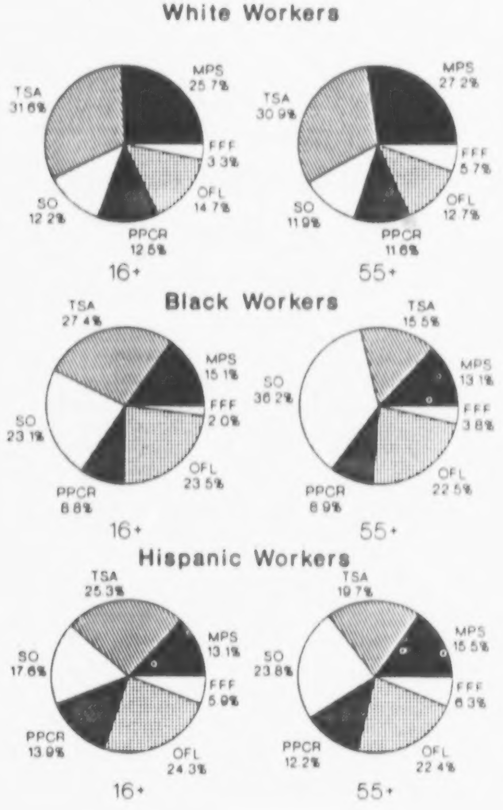

Chart: CRS. Data: U.S.B.L.S.

sales, and administrative support occupations after age 55, 15.5 percent vs. 27.4 percent for those 16 and over in 1987.[10] The decline in the proportion of older workers in this occupational category is due to a decline in the proportion working as technicians and in administrative support occupations. Some economists have argued fewer older workers are employed as technicians because the skill level for these jobs is higher than average, and older workers have lower than average educational attainment levels.[11]

The same changes are experienced by Hispanic workers 55 and over, but to a lesser extent. In 1987, 23.8 percent of Hispanic workers 55 and over were employed in service occupations compared to 17.6 percent of those 16 and over; and, 19.7 percent of Hispanic workers 55 and over were employed in technical, sales, and administrative support occupations compared to 25.3 percent of those 16 and over. (See chart 1.)

Although BLS does not project the growth of occupations by age and race, they do project the overall distribution of occupations in the United States for the year 2000. BLS projections indicate that the following occupations are among those that will experience faster than average growth rates: technical, sales, executive, and services (with the exception of private household workers). Of these fast growing occupations, only in the technical occupations are proportionally small numbers of older workers employed. Of those occupations projected to have slower than average growth rates, farming is the only one with proportionally large numbers of older workers.[12]

LABOR MARKET PROBLEMS OF OLDER WORKERS

Most workers 60 and over who are not in the labor force do not want a job. Ninety-eight percent of workers 60 and over not in the labor force in 1987 did not want a job compared to 85.7 percent of those 25 to 59 years old. However, two percent of workers 60 and over not in the labor force in 1987 did want a job but didn't have one due to illness or disability, the belief they could not get a job, or home responsibilities, among other reasons. (See table 3.)

A standard measure of labor market difficulty is the unemployment rate. Older workers have the lowest unemployment rate of any age group. In 1987 the unemployment rate was 3.5 percent for workers 55-64; 2.6 percent for workers 65-69; and 2.4 percent for workers 70 and over. In contrast, workers 16-19 had an unemployment rate equal to 16.9 percent in 1987; the rate fell steadily for each successive age group. (See chart 2.) Black and Hispanic workers 55 and older experienced a higher unemployment rate than white workers 55 and older, as is true for these

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[10] This decline is even more striking given that a larger proportion of older worker employment is accounted for by sales when compared to employment for all workers 16 and over.

[11] Fullerton and Kutscher, The Aging Labor Force, p. 11.

[12] Fullerton and Kutscher, The Aging Labor Force, p. 9.

CHART 2. Civilian Unemployment Rate by Age: 1987

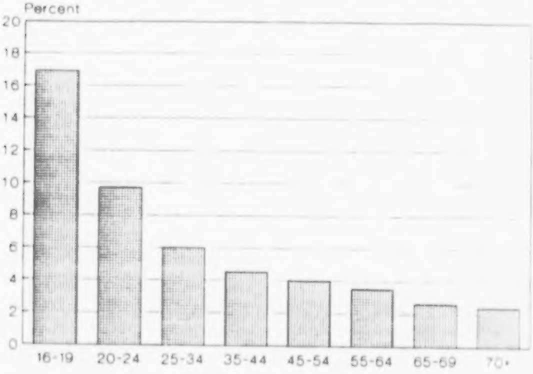

Chart: CRS. Data: U.S.B.L.S.

TABLE 3. Persons Not in the Labor Force 1987 by Reason and Age
(numbers in thousands)

Reason	Total		Age					
			16 to 24 Years		25 to 59 Years		60 Years and Over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total not in labor force	62,888	100.0	10,611	100.0	21,161	100.0	31,115	100.0
Do not want a job now	57,172	90.9	8,549	80.6	18,127	85.7	30,496	98.0
Current activity:								
Going to school	6,378	10.1	5,545	52.3	821	3.9	14a/	0.0
Ill, disabled	4,294	6.8	160	1.5	2,122	10.0	2,014	6.5
Keeping house	25,724	40.9	1,563	14.7	12,282	58.0	11,878	38.2
Retired	16,237	25.8	--	--	407	1.9	15,821	50.9
Other activity	4,539	7.2	1,281	12.1	2,496	11.8	761	2.4
Want a job now	5,714	9.1	2,062	19.4	3,034	14.3	616	2.0
Reason for not looking:								
School attendance	1,420	2.3	1,129	10.6	284	1.3	6a/	0.0
Ill health, disability	867	1.4	73	0.7	603	2.8	185	0.6
Home responsibility	1,266	2.0	311	2.9	905	4.3	49	0.2
Think cannot get a job	1,026	1.6	264	2.5	585	2.8	177	0.6
Job market factors	672	1.1	173	1.6	421	2.0	80	0.3
Personal factors	354	0.6	91	0.9	164	0.8	97	0.3
Other reasonsb/	1,140	1.8	285	2.7	657	3.1	199	0.6

NOTE: Details may not add to totals due to rounding.
a/ Entries with less than 50,000 individuals are too small to be statistically valid.
b/ Includes a small number of men not looking for work due to home responsibilities.
Source: U.S. Bureau of Labor Statistics. Employment and Earnings. January 1988. p. 199.

groups regardless of age. In 1987, the unemployment rate for black, white, and Hispanic workers 55 and older equalled 5.3 percent, 6.1 percentand 3.0 percent, respectively. All three racial and ethnic origin groups had lower unemployment rates for workers over 55 than for workers in other age categories. However, low unemployment does not mean older workers do not have labor market problems. It is generally agreed that unemployment is not a good measure of the labor market problems encountered by older workers:

> . . . their relatively low rates of unemployment may mask the linked problems of unsuccessful job search once unemployment occurs and job market alienation (often stemming from that job search) that leads to labor force withdrawal.[13]

Once an older worker becomes unemployed, he or she will be likely to experience a longer spell of unemployment than other workers. In 1987, those 55-64 years old were unemployed an average of 22 weeks and those 65 and over were unemployed an average of 17.8 weeks compared to 14.5 weeks for all workers 16 and over.[14]

In addition, unemployed older workers are less likely to be successful in finding new employment than other workers and are more likely to withdraw from the labor force upon becoming unemployed. Although most older persons are not in the labor force because they choose not to work, some are discouraged workers who believe they could not get employment. If discouraged workers were included in the unemployment rate for workers 65 and over it would increase approximately 3 percentage points for men and 5 percentage points for women.[15]

Another problem confronted by older workers is that many available jobs are not compatible with their desire to work part-time. Many more older workers than workers in general desire part-time work, but most jobs are not part-time and many part-time jobs are low paying. Of those workers 65 and over who were employed in 1987, 48 percent were voluntarily working part-time compared to 9 percent of 25-44 year olds, and 10 percent of 45-64 year olds.[16]

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[13] Rones, Philip. The Labor Market Problems of Older Workers. Monthly Labor Review, May 1983. p. 4.

[14] Average duration of unemployment rises steadily up to age 65 and then falls somewhat. U.S. Bureau of Labor Statistics. Employment and Earnings, January 1988. p. 174.

[15] Data are based on an average for the 1968-81 period. Even though the addition of discouraged workers increases the unemployment rate for older workers considerably, the number of affected workers (177,000 in 1987) is still quite small when compared to the overall population of older persons. Rones, The Labor Market Problems of Older Workers, p. 8.

If it becomes necessary or desirable to attract and retain more older workers to the labor force in the future, flexible working schedules at attractive wages, or retirement policies encouraging later retirement may be required. National surveys have indicated that retirement age workers are interested in continuing to work, generally on a part-time basis, and that if flexible working arrangements were made available, many older workers would continue to work.[17]

Labor shortages in the future may provide employers with an incentive to try to attract older workers to the labor force, particularly since projected shortages are in entry level positions which are less likely to appeal to middle-aged workers in the peak earning years.[18] However, there is no evidence that these potential shortages in entry level jobs will necessitate drawing on the pool of older workers; the workers needed may be drawn from the increasing ranks of women and immigrants entering the labor force.

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[16] U.S. Bureau of Labor Statistics. Employment and Earnings, January 1988. p. 197.

[17] Morrison, The Aging of the U.S. Population, p. 17.

[18] Ibid., p.16.